

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE STATE OF IDAHO,
IN AND FOR THE COUNTY OF TWIN FALLS

IN RE THE GENERAL ADJUDICATION
OF RIGHTS TO THE USE OF WATER FROM
THE SNAKE RIVER BASIN WATER SYSTEM

CIVIL CASE NUMBER: 39576

Ident. Number 63-32498
Date Received: 4/14/1989
Receipt No:
Received By:

**NOTICE OF CLAIM TO A WATER RIGHT
ACQUIRED UNDER STATE LAW**

1. Name of Claimant(s)

LONNIE L SVEDIN Phone: (208)495-2062
7833 S ROBINSON RD
MELBA ID USA 83641

LYNNE SVEDIN Phone: (208)495-2062
7833 S ROBINSON RD
MELBA ID USA 83641

2. Date of Priority: 11/21/1962

3. Source: GROUND WATER Trib. to:

4. Point of Diversion:

Township	Range	Section	1/4 of 1/4 of 1/4 Lot	County	Type
01N	01W	8	NW SE	ADA	

5. Description of diverting works:

WELL WITH TURBO PUMP

6. Water is used for the following purposes:

Purpose	From	To	C.F.S.	(or) A.F.A
IRRIGATION	04/01	10/31	0.26	85.5

7. Total Quantity Appropriated is:
0.26 C.F.S. and/or 85.5 A.F.A.

8. Total consumptive use:

9. Non-irrigation uses:

10. Place of use:

Township	Range	Section	1/4 of 1/4 Lot	Use	Acres
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01N	01W	8	SW	NE	IRRIGATION	19
					Section Acres	19
					Total Acres	19

11. Place of use in counties: ADA

12. Do you own the property listed above as place of use? Yes

13. Other Water Rights Used:

14. Remarks:

This claim is the result of a split due to change in ownership for a portion of 63-3319. DB 8/1/2001

This right is a split from former right 63-31274.

15. Basis of Claim: License

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP

Please print or type. Attach pages with additional information. Instructions are included at the end of this form.
 Incomplete forms will be returned.

1. Please list the water right number(s) and/or adjudication claim number(s) (if any) for each water right to be changed. List just the adjudication claim number if there is no corresponding water right record on file with the department. Indicate, by checking in the space provided (under the "split" heading), if the change in ownership is limited to a portion of a water right in which case division of the existing water right or adjudication claim record will be required.

Water Right No(s).	Adjudication Claim No(s).	Split	Water Right No(s).	Adjudication Claim No(s).	Split
63-31274					

2. The following **REQUIRED** information must be submitted with this form:

- A. The appropriate **FILING FEE**. See instructions for fee amounts.
- B. A copy of the most recent **DEED, TITLE POLICY, CONTRACT OF SALE** or other legal document indicating your ownership of the property and water right(s) or claim(s) in question, **WITH ATTACHED LEGAL DESCRIPTION**.
- C. Either of the following (if necessary to clarify division of water rights or other complex property descriptions):
PLAT OF PROPERTY or **SURVEY MAP** clearly showing the location of the point(s) of diversion and place of use of your water right(s) and/or adjudication claim(s) (these are usually attached to your deed or on file with the county).

OR

If your water right(s) and/or adjudication claim(s) is for ten or more acres of irrigation, you must submit a USDA Farm Service Agency **AERIAL PHOTO** with the irrigated acres outlined and point(s) of diversion clearly marked. The **AERIAL PHOTO** should be submitted in place of the **PLAT OF PROPERTY** or **SURVEY MAP**.

3. Name and Address of Former Owner/Claimant(s)

Lauren S. Boehlke, Stephen R Boehlke
6220 Kuna Cove Rd, Kuna, ID

4. New Owner/Claimant(s)

Karna Lonnie Svedin, Lynne Svedin
 Name Connector (Check one) ☒ and ☐ or ☒ and/or

New Mailing Address

7833 S. Robinson Rd

City, State and ZIP Code

Melba, ID 83641

New Telephone Number

208 495-2062

5. Date you acquired the property

8/23/05

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6. If the change in ownership affects the entire water right for each water right or adjudication claim number listed in item 1, THEN SKIP THIS ITEM AND GO TO ITEM 7. If the change in ownership divides the water right(s) among multiple owners, you must describe, in detail, your portion of each water right after the change. Fill in the appropriate spaces in the box(es) below to describe your water right(s) after the change (one water right per box, you may copy this page as necessary). If your quantity of water is greater than a proportionate split, you must attach documentation to show justification for a larger amount. If you are not sure how to identify your portion of the original water right or adjudication claim records, please contact the nearest IDWR office for assistance.

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right(s) will not be split, skip this area and proceed to item 7)		
Water Right and/or Adjudication Claim Number _____		
Water Use	Diversion Rate or Volume (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc)
Irrigation	_____	_____
Stock	_____	_____
Domestic	_____	_____
Other _____	_____	_____
Total	_____	_____

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right(s) will not be split, skip this area and proceed to item 7)		
Water Right and/or Adjudication Claim Number _____		
Water Use	Diversion Rate or Volume (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc)
Irrigation	_____	_____
Stock	_____	_____
Domestic	_____	_____
Other _____	_____	_____
Total	_____	_____

7. Signature of New Owner(s) or Claimant(s) *Li. Ho*
(include title if applicable) *Synne L. edin*

For Snake River Basin Adjudication Claims: Please attach a Notice of Appearance completed by your attorney, if you wish IDWR to correspond with him/her for all matters related to your claims.

For Office Use Only

Received by _____ Date _____ Fee _____
 Receipted by _____ Date _____ Receipt No. _____
 Processed by _____ AJ Date _____ WR _____ Date _____

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edited claim
R 1/26/05
← per. edited
per AW 1/26/05

$$1058 \text{ afy} / 235 \text{ a} = 4.5 \text{ afa}$$

$$323 \text{ cfs} / 235 \text{ ac} = 0.0137 \text{ cfs/ac} * 3.5 = 0.05 \text{ cfs}$$

63-3317

3.23 cfs
235 ac
1058 afy

63-31214
0.33 cfs
34 ac
108 afy

63-31275
2.9 cfs
311 ac
950 afy

63-32034

2.38 cfs - .05 = 2.33 + .43 = 2.76 cfs
173.5 ac - 3.5 = 170 + 31 = 201 ac
781 afy - 1 = 780 + 140 = 920 afy
-15.75 = 764 + 140 = 904 afy

63-32035

3.09 cfs 2.85 - 2.76 = 0.09 cfs ✓
6.5 ac 207.5 - 201 = 6.5 ac ✓
34 afy 934.2 - 904 = 30 afy ✓

63-32036

.43 cfs
31 ac
140 afy

deleted elements
from claim
R 1/26/05

incorrect split - 3.5 ac
on 517 SWNW should be
on 31274, not 31275

✓ 63-31274 ~~split only removed~~
✓ 0.38 cfs
✓ 27.5 ac
✓ 125.8 afy

edited claim
R 1/26/05
✓ 63-31275
✓ 2.85 cfs
✓ 207.5 ac
✓ 934.2 afy

incorrect split - 32034 and
32035 should be same owner
32034

1/26/05

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78-3317 → 63-31274
 → 63-31275

5 32034 35 36

* needs to be
 female from
 present

			31275	32036	32034	32035	31274
QIN QIW	SB	NE SE	12		12		
		NE SW	19		19		
		SE SW	23		23		
		NW SE	39		39		
		SW SE	39		39		
		SE SE	38		38		

170

SIF	NW NW	2	2		
	SW NW	39	39		6.5
		41	31		

* more to
 combine
 → 6.5

Sudan Sw
 L → Sudan Sw Sudan Sw writing

* should be
 level 35, across
 should have gone
 to 31274



Sudan Sw
 582083/1000

Sudan Sw
 582083/1000

Sudan Sw
 582083/1000

* should have
 been split to
 31274, not 31275

CAMPAD 22-139 100 sheets

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 AUG 3 8 2005

Split/Overlap Analysis – Water Right No. 63-31275[illegible]

63 31275

6.57	57	146
oil. 23 ~~SA~~	oil.	39
	Wentley	6.48
	"	3.3
		D.4

32034
Suedin (54)

32035
Wortley
10/1

32036
Svedin (Jr)

SUPERCEDED

Right No.	Rate of Diversion	Irrigated acres	Rec. Diversion (cfs)
31775	2.9	211	0.014
37035		68	0.09
32036		31	0.43
33034		173.5	2.38
			~~2.9~~

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JAN 26 2005

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JAN 24 2005

Prepared by Roxanne Brown

Prepared by Roxanne Brown

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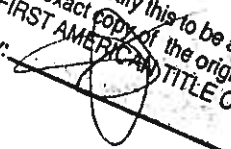
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RECORDATION REQUESTED BY:

ZIONS FIRST NATIONAL BANK
WEISER BRANCH
606 STATE STREET
WEISER, ID 83672

WHEN RECORDED MAIL TO:

Zions First National Bank
Loan Servicing Group - UT RDWG 0187
2460 South 3270 West
West Valley City, UT 84119

I hereby certify this to be a true
and exact copy of the original.
FIRST AMERICAN TITLE CO.
By: 

*Recorded 11
Instrument #
105120524*

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY



00000000000009002074508152005

MORTGAGE

THIS MORTGAGE dated August 15, 2005, is made and executed between **LONNIE L. SVEDIN** and **LYNNE SVEDIN**, husband and wife (referred to below as "Grantor") and **ZIONS FIRST NATIONAL BANK**, whose address is 606 STATE STREET, WEISER, ID 83672 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages, grants, bargains, sells and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in **ADA County, State of Idaho**:

See Exhibit "A", which is attached to this Mortgage and made a part of this Mortgage as if fully set forth herein.

The Real Property or its address is commonly known as **SOUTH ROBINSON ROAD, KUNA, ID 83634**. The Real Property tax identification number is **52208130000**

CROSS-COLLATERALIZATION. In addition to the Note, this Mortgage secures all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated whether Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due and shall strictly perform all of Grantor's obligations under this Mortgage.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property. The following provisions relate to the use of the Property or to other limitations on the Property.

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor

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authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Mortgage, including the obligation to indemnify, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Idaho law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Mortgage:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of any liens having priority over or equal to the interest of Lender under this Mortgage, except for those liens specifically agreed to in writing by Lender, and except for the lien of taxes and assessments not due as further specified in the Right to Contest paragraph.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and reasonable attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Mortgage:

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all Improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption and boiler insurance as Lender may require. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of ten (10) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that

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coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Property is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Mortgage. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Mortgage or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Mortgage or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Mortgage also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Mortgage:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage, and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Mortgage shall survive the execution and delivery of this Mortgage, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's Indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Mortgage:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Mortgage:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Mortgage or upon all or any part of the Indebtedness secured by this Mortgage; (2) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the Indebtedness secured by this type of Mortgage; (3) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Grantor.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens

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section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Mortgage.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Mortgage:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Grantor's obligations under the Note, this Mortgage, and the Related Documents, and (2) the liens and security interests created by this Mortgage as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Grantor pays all the Indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Mortgage:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Default on Other Payments. Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Mortgage or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

Default in Favor of Third Parties. Should Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or Grantor's ability to repay the Indebtedness or Grantor's ability to perform Grantor's obligations under this Mortgage or any related document.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Mortgage or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Mortgage or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The death of Grantor, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the Indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or

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disputes the validity of, or liability under, any Guaranty of the Indebtedness. In the event of a death, Lender, at its option, may, but shall not be required to, permit the guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Right to Cure. If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Mortgage within the preceding twelve (12) months, it may be cured if Grantor, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of an Event of Default and at any time thereafter, Lender, at Lender's option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty which Grantor would be required to pay.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not the apparent value of the Property exceeds the Indebtedness. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Judicial Foreclosure. Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

Nonjudicial Sale. If permitted by applicable law, Lender may foreclose Grantor's interest in all or in any part of the Personal Property or the Real Property by non-judicial sale.

Deficiency Judgment. If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

Other Remedies. Lender shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity.

Sale of the Property. To the extent permitted by applicable law, Grantor hereby waives any and all right to have the Property marshalled. In exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Mortgage, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies. Nothing under this Mortgage or otherwise shall be construed so as to limit or restrict the rights and remedies available to Lender following an Event of Default, or in any way to limit or restrict the rights and ability of Lender to proceed directly against Grantor and/or against any other co-maker, guarantor, surety or endorser and/or to proceed against any other collateral directly or indirectly securing the Indebtedness.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

NOTICES. Any notice required to be given under this Mortgage, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or

registered mail postage prepaid, directed to the addresses shown near the beginning of this Mortgage. All copies of notices of foreclosure from the holder of any lien which has priority over this Mortgage shall be sent to Lender's address, as shown near the beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

HIGHLY ERODIBLE LAND AND WETLAND CONSERVATION. A. This commitment is conditional upon loan proceeds not being used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

B. All guaranteed lenders will be required to monitor compliance of these requirements as part of their servicing responsibilities. During loan servicing contacts the Borrower's compliance is to be reviewed and analyzed. If the Borrower violates 7 C.F.R. Part 1940, Subpart G, Exhibit M requirements, the loan will be in default.

C. If loan applicants' farm properties contain any highly erodible land, wetland, or converted wetland; the lender will include the following provisions in its debt and security loan instruments:

Default shall also exist if any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetland to produce or to make possible the production of an agricultural commodity, further explained in 7 CFR Part 1940, Subpart G, Exhibit "M".

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Mortgage:

Amendments. This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. No alteration of or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Arbitration Disclosures.

1. ARBITRATION IS FINAL AND BINDING ON THE PARTIES AND SUBJECT TO ONLY VERY LIMITED REVIEW BY A COURT.
2. IN ARBITRATION THE PARTIES ARE WAIVING THEIR RIGHT TO LITIGATE IN COURT, INCLUDING THEIR RIGHT TO A JURY TRIAL.
3. DISCOVERY IN ARBITRATION IS MORE LIMITED THAN DISCOVERY IN COURT.
4. ARBITRATORS ARE NOT REQUIRED TO INCLUDE FACTUAL FINDINGS OR LEGAL REASONING IN THEIR AWARDS. THE RIGHT TO APPEAL OR SEEK MODIFICATION OF ARBITRATORS' RULINGS IS VERY LIMITED.
5. A PANEL OF ARBITRATORS MIGHT INCLUDE AN ARBITRATOR WHO IS OR WAS AFFILIATED WITH THE BANKING INDUSTRY.
6. ARBITRATION WILL APPLY TO ALL DISPUTES BETWEEN THE PARTIES, NOT JUST THOSE CONCERNING THE AGREEMENT.
7. IF YOU HAVE QUESTIONS ABOUT ARBITRATION, CONSULT YOUR ATTORNEY OR THE AMERICAN ARBITRATION ASSOCIATION.

(a) Any claim or controversy ("Dispute") between or among the parties and their employees, agents, affiliates, and assigns, including, but not limited to, Disputes arising out of or relating to this agreement, this arbitration provision ("arbitration clause"), or any related agreements or instruments relating hereto or delivered in connection herewith ("Related Agreements"), and including, but not limited to, a Dispute based on or arising from an alleged tort, shall at the request of any party be resolved by binding arbitration in accordance with the applicable arbitration rules of the American Arbitration Association (the "Administrator"). The provisions of this arbitration clause shall survive any termination, amendment, or expiration of this agreement or Related Agreements. The provisions of this arbitration clause shall supersede any prior arbitration agreement between or among the parties.

(b) The arbitration proceedings shall be conducted in a city mutually agreed by the parties. Absent such an agreement, arbitration will be conducted in Boise, Idaho or such other place as may be determined by the Administrator. The Administrator and the arbitrator(s) shall have the authority to the extent practicable to take any action to require the arbitration proceeding to be completed and the arbitrator(s) award issued within 150 days of the filing of the Dispute with the Administrator. The arbitrator(s) shall have the authority to impose sanctions on any party that fails to comply with time periods imposed by the Administrator or the arbitrator(s), including the sanction of summarily dismissing any Dispute or defense with prejudice. The arbitrator(s) shall have the authority to resolve any Dispute regarding the terms of this agreement, this arbitration clause, or Related Agreements, including any claim or controversy regarding the arbitrability of any Dispute. All limitations periods applicable to any Dispute or defense, whether by statute or agreement, shall apply to any arbitration proceeding hereunder and the arbitrator(s) shall have the authority to decide whether any Dispute or defense is barred by a limitations period and, if so, to summarily enter an award dismissing any Dispute or defense on that basis. The doctrines of compulsory counterclaim, res judicata, and collateral estoppel shall apply to any arbitration proceeding hereunder so that a party must state as a counterclaim in the arbitration proceeding any claim or controversy which arises out of the transaction or occurrence that is the subject matter of the Dispute. The arbitrator(s) may in the arbitrator(s)' discretion and at the request of any party: (1) consolidate in a single arbitration proceeding any other claim arising out of the same transaction involving another party to that transaction that is bound by an arbitration clause with Lender, such as borrowers, guarantors, sureties, and owners of collateral; and (2) consolidate or administer multiple arbitration claims or controversies as a class action in accordance with Rule 23 of the Federal Rules of Civil Procedure.

(c) The arbitrator(s) shall be selected in accordance with the rules of the Administrator from panels maintained by the Administrator. A single arbitrator shall have expertise in the subject matter of the Dispute. Where three arbitrators conduct an arbitration proceeding, the Dispute shall be decided by a majority vote of the three arbitrators, at least one of whom must have expertise in the subject matter of the Dispute and at least one of whom must be a practicing attorney. The arbitrator(s) shall award to the prevailing party recovery of all costs and fees (including attorneys' fees and costs, arbitration administration fees and costs, and arbitrator(s)' fees). The arbitrator(s), either during the pendency of the arbitration proceeding or as part of the arbitration award, also may grant provisional or ancillary remedies including but not limited to an award of injunctive relief, foreclosure, sequestration, attachment, replevin, garnishment, or the appointment of a receiver.

(d) Judgement upon an arbitration award may be entered in any court having jurisdiction, subject to the following limitation: the arbitration award is binding upon the parties only if the amount does not exceed Four Million Dollars (\$4,000,000.00); if the award exceeds that limit, either party may demand the right to a court trial. Such a demand must be filed with the Administrator within thirty (30) days following the date of the arbitration award; if such a demand is not made with that time period, the amount of the arbitration award shall be binding.

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The computation of the total amount of an arbitration award shall include amounts awarded for attorneys' fees and costs, arbitration administration fees and costs, and arbitrator(s)' fees.

(e) No provision of this arbitration clause, nor the exercise of any rights hereunder, shall limit the right of any party to: (1) judicially or non-judicially foreclose against any real or personal property collateral or other security; (2) exercise self-help remedies, including but not limited to repossession and setoff rights; or (3) obtain from a court having jurisdiction thereover any provisional or ancillary remedies including but not limited to injunctive relief, foreclosure, sequestration, attachment, replevin, garnishment, or the appointment of a receiver. Such rights can be exercised at any time, before or after initiation of an arbitration proceeding, except to the extent such action is contrary to the arbitration award. The exercise of such rights shall not constitute a waiver of the right to submit any Dispute to arbitration, and any claim or controversy related to the exercise of such rights shall be a Dispute to be resolved under the provisions of this arbitration clause. Any party may initiate arbitration with the Administrator. If any party desires to arbitrate a Dispute asserted against such party in a complaint, counterclaim, cross-claim, or third-party complaint thereto, or in an answer or other reply to any such pleading, such party must make an appropriate motion to the trial court seeking to compel arbitration, which motion must be filed with the court within 45 days of service of the pleading, or amendment thereto, setting forth such Dispute. If arbitration is compelled after commencement of litigation of a Dispute, the party obtaining an order compelling arbitration shall commence arbitration and pay the Administrator's filing fees and costs within 45 days of entry of such order. Failure to do so shall constitute an agreement to proceed with litigation and waiver of the right to arbitrate. In any arbitration commenced by a consumer regarding a consumer Dispute, Lender shall pay one half of the Administrator's filing fee, up to \$250.

(f) Notwithstanding the applicability of any other law to this agreement, the arbitration clause, or Related Agreements between or among the parties, the Federal Arbitration Act, 9 U.S.C. Section 1 et seq., shall apply to the construction and interpretation of this arbitration clause. If any provision of this arbitration clause should be determined to be unenforceable, all other provisions of this arbitration clause shall remain in full force and effect.

Caption Headings. Caption headings in this Mortgage are for convenience purposes only and are not to be used to interpret or define the provisions of this Mortgage.

Governing Law. This Mortgage will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Idaho without regard to its conflicts of law provisions. This Mortgage has been accepted by Lender in the State of Idaho.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of ADA County, State of Idaho.

Joint and Several Liability. All obligations of Grantor under this Mortgage shall be joint and several, and all references to Grantor shall mean each and every Grantor. This means that each Grantor signing below is responsible for all obligations in this Mortgage.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Mortgage unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Mortgage shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Mortgage. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Mortgage, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Mortgage to be illegal, invalid, or unenforceable as to any person or circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other person or circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Mortgage. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Mortgage shall not affect the legality, validity or enforceability of any other provision of this Mortgage.

Merger. There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Successors and Assigns. Subject to any limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Mortgage or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Mortgage.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Idaho as to all Indebtedness secured by this Mortgage.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Mortgage. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means LONNIE L SVEDIN and LYNNE SVEDIN and includes all co-signers and co-makers signing the Note.

Default. The word "Default" means the Default set forth in this Mortgage in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Mortgage in the events of default

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section of this Mortgage.

Grantor. The word "Grantor" means LONNIE L SVEDIN and LYNNE SVEDIN.

Guaranty. The word "Guaranty" means the guaranty from guarantor, endorser, surety, or accommodation party to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means and includes without limitation all Loans, together with all other obligations, debts and liabilities of Borrower to Lender, or any one or more of them, as well as all claims by Lender against Borrower, or any one or more of them; whether now or hereafter existing, voluntary or involuntary, due or not due, absolute or contingent, liquidated or unliquidated; whether Borrower may be liable individually or jointly with others; whether Borrower may be obligated as a guarantor, surety, or otherwise; whether recovery upon such indebtedness may be or hereafter may become barred by any statute of limitations; and whether such indebtedness may be or hereafter may become otherwise unenforceable.

Lender. The word "Lender" means ZIONS FIRST NATIONAL BANK, its successors and assigns.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender.

Note. The word "Note" means the promissory note dated August 15, 2005, in the original principal amount of \$85,000.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. **NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Mortgage.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR:

x 
LONNIE L SVEDIN

x 
LYNNE SVEDIN

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INDIVIDUAL ACKNOWLEDGMENT

STATE OF

Idaho

)

COUNTY OF

Ada

) SS

)

On this

22nd

day of

August

in the year 20

05

before me

D. Watts

known or identified to me (or proved to me on the oath of _____), a notary public in and for the State of Idaho, personally appeared LONNIE L SVEDIN and LYNNE SVEDIN, to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

Notary Public for Idaho

Residing at

Meridian, Idaho

My commission expires

01-18-07

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AUG 30 2005

EXHIBIT "A"

REAL PROPERTY IN THE COUNTY OF ADA, STATE OF IDAHO, DESCRIBED AS FOLLOWS: THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE BOISE MERIDIAN, RECORDS OF ADA COUNTY, IDAHO. RESERVING AN EASEMENT FOR INGRESS AND EGRESS OVER THE FOLLOWING DESCRIBED PARCELS OF LAND: AN EASEMENT FOR INGRESS AND EGRESS PURPOSES LOCATED IN THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 8, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN, ADA COUNTY, IDAHO, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A 1/2 INCH DIAMETER IRON PIN MAKING THE SOUTHWESTERLY CORNER OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER FROM WHICH A 5/8 INCH DIAMETER IRON PIN MARKING THE NORTHWESTERLY CORNER OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER BEARS NORTH 0°24'32" EAST, A DISTANCE OF 1321.48 FEET; THENCE SOUTH 89°30'47" EAST ALONG THE SOUTHERLY BOUNDARY OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER, A DISTANCE OF 1319.48 FEET TO THE SOUTHEASTERLY CORNER OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER; THENCE NORTH 0°25'22" EAST ALONG THE EASTERLY BOUNDARY OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER A DISTANCE OF 12.00 FEET TO A POINT; THENCE LEAVING SAID EASTERLY BOUNDARY NORTH 89°30'47" WEST A DISTANCE OF 1319.49 FEET TO A POINT ON THE WESTERLY BOUNDARY OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER; THENCE SOUTH 0°24'32" WEST ALONG SAID WESTERLY BOUNDARY A DISTANCE OF 12.00 FEET TO THE POINT OF BEGINNING, AS RESERVED IN INSTRUMENT RECORDED AUGUST 8, 2005, AS INST. NO. 105109965 AND RE-RECORDED AUGUST 11, 2005 AS INSTRUMENT NO. 105112763. TOGETHER WITH AN EASEMENT FOR INGRESS-EGRESS PURPOSES LOCATED IN THE SOUTH HALF OF SECTION 8, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN, ADA COUNTY, IDAHO, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT A 1/2 INCH DIAMETER IRON PIN MARKING THE SOUTHWESTERLY CORNER OF SAID SOUTH HALF FROM WHICH A 5/8 INCH DIAMETER IRON PIN MARKING THE SOUTHEASTERLY CORNER OF SAID SOUTH HALF BEARS SOUTH 89°30'47" EAST A DISTANCE OF 5277.94 FEET; THENCE SOUTH 89°30'47" EAST ALONG THE SOUTHERLY BOUNDARY OF SAID SOUTH HALF A DISTANCE OF 1319.48 FEET TO THE SOUTHEASTERLY CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 8; THENCE CONTINUING SOUTH 89°30'47" EAST A DISTANCE OF 425.12 FEET TO A POINT; THENCE LEAVING SAID SOUTHERLY BOUNDARY NORTH 4°37'15" EAST A DISTANCE OF 2025.66 FEET TO A POINT; THENCE A DISTANCE OF 193.10 FEET ALONG THE ARC OF A 277.00 FOOT RADIUS CURVE RIGHT, SAID CURVE HAVING A CENTRAL ANGLE OF 39°56'32" AND A LONG CHORD BEARING NORTH 24°35'31" EAST A DISTANCE OF 189.22 FEET TO A POINT. THENCE NORTH 44°33'47" EAST A DISTANCE OF 602.43 FEET TO A POINT; THENCE SOUTH 89°23'30" EAST A DISTANCE OF 349.66 FEET TO A POINT; THENCE NORTH 0°36'30" EAST A DISTANCE OF 12.00 FEET TO A POINT ON THE NORTHERLY BOUNDARY OF SAID SOUTH HALF; THENCE NORTH 89°23'30" WEST ALONG SAID NORTHERLY BOUNDARY A DISTANCE OF 354.76 FEET TO A POINT; THENCE SOUTH 44°33'47" WEST A DISTANCE OF 607.53 FEET TO A POINT; THENCE A DISTANCE OF 201.47 FEET ALONG THE ARC OF A 289.00 FOOT RADIUS CURVE LEFT, SAID CURVE HAVING A CENTRAL ANGLE OF 39°56'32" AND A LONG CHORD BEARING SOUTH 24°35'31" WEST A DISTANCE OF 197.41 FEET TO A POINT; THENCE SOUTH 4°37'47" WEST A DISTANCE OF 2014.49 FEET TO A POINT; THENCE NORTH 89°30'47" WEST A DISTANCE OF 413.97 FEET TO A POINT ON THE EASTERLY BOUNDARY OF SAID SOUTHWESTERLY QUARTER OF THE SOUTHWESTERLY QUARTER; THENCE SOUTH 0°25'22" WEST A DISTANCE 12.00 FEET TO THE POINT OF BEGINNING, AS RESERVED IN INSTRUMENT RECORDED AUGUST 8, 2005, AS INST. NO. 105109965 AND RE-RECORDED AUGUST 11, 2005 AS INSTRUMENT NO. 105112763.

TOGETHER WITH ANY AND ALL WATER RIGHTS NOW OWNED OR HEREAFTER ACQUIRED WHICH ARE APPURTENANT THERETO. WATER RIGHTS NUMBER 63-31274

SCANNED

AUG 30 2005

RECEIVED

AUG 29 2005

Department of Water Resources

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES**Notice of Security Interest in a Water Right**And Request for Notification of a Change in Ownership or Any Proposed
Or Final Action to Amend, Transfer, or Otherwise Modify a Water RightPlease print or type. Attach pages with additional information. Instructions are on the back of this page.
Incomplete forms will be returned

1. Water Right No(s): 63-31274
Adjudication Claim No(s): _____
2. The following **REQUIRED** information must be submitted with this form:
 - A) Evidence of the security interest. This may be a copy of a **DEED of TRUST, MORTGAGE, CONTRACT OF SALE** or other legal document indicating your interest in the property and water right or claim in question, **WITH ATTACHED LEGAL DESCRIPTION.**
 - B) A **FEE** of \$25.00 per water right or adjudication claim.
3. Name and Mailing Address of Person or Company holding Security Interest
Zions Bank
2460 South 3270 West
West Valley City, UT 84119
4. Name of Water Right Owner/Claimant(s)
Lonniz L + Lynne Svedin
5. Expiration Date of Notification Period
07/01/2030
6. Is this a Renewal of Request for Notification? YES ☐ NO ☒
7. Signature(s) (and title if applicable)
[Signature]
Loan Officer

For Office Use Only

Received by _____	Date _____	Fee _____
Receipted by _____	Date _____	Receipt No. _____
Processed by _____	AJ Date _____	WR _____ Date _____

SCANNED

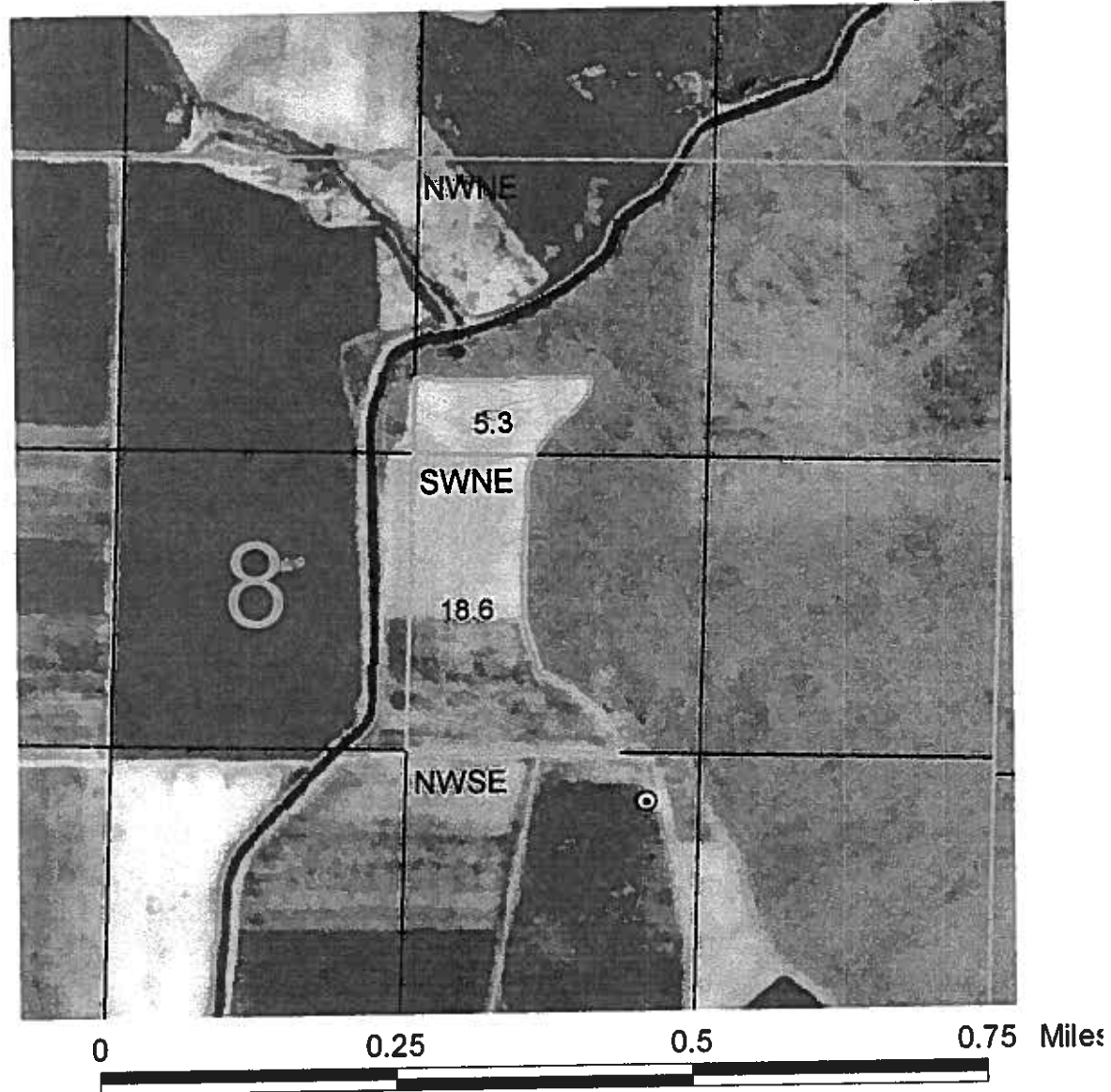
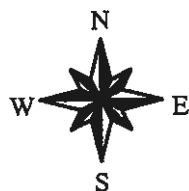
AUG 30 2005

Idaho Department of Water Resources

1987 Napp Photo

Claim Number: 63-31274
Legal: T01N, R01W, S08
Reviewed By:

- ⊙ Point of Diversion
-  Place of Use
-  Section Lines
-  Quarter Quarter Lines
-  Township/Range Lines



IDWR - WESTERN REGION

CONTRACTOR: Karan Waters

CLAIM/ID: 63-31274 Date: 9-27-02

	TNS	RNG	SEC	NE				NW				SW				SE				Sum
				NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
Claim	1N	1W	8		5	19														24
GIS					5.3	18.6														23.9
Claim																				
GIS																				
Claim																				
GIS																				
Claim																				
GIS																				

Number of POD's 1

Total Claimed Acres: 24

Overlapping EOU Claim #'s:

63-03319

Total GIS Acres: 23.9

COMMENTS:

Per deed map + overlapping claims. No county ownership data provided.

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE STATE OF IDAHO,
IN AND FOR THE COUNTY OF TWIN FALLS

IN RE THE GENERAL ADJUDICATION
OF RIGHTS TO THE USE OF WATER FROM
THE SNAKE RIVER BASIN WATER SYSTEM

CIVIL CASE NUMBER: 39576

Ident. Number 63-31274
Date Received: 4/14/1989
Receipt No:
Received By:

**NOTICE OF CLAIM TO A WATER RIGHT
ACQUIRED UNDER STATE LAW**

1. Name of Claimant(s): STEPHEN R BOEHLKE
6220 KUNA CAVE RD
KUNA ID USA 83634

Phone: (208)495-2291

LAUREN S BOEHLKE
6220 KUNA CAVE RD
KUNA ID USA 83634

Phone: (208)495-2291

2. Date of Priority: 11/21/1962

3. Source: GROUND WATER Trib. to:

4. Point of Diversion:

Township	Range	Section	1/4 of 1/4 of 1/4 Lot	County	Type
01N	01W	8	NW SE	ADA	

5. Description of diverting works:

WELL WITH TURBO PUMP

6. Water is used for the following purposes:

Purpose	From	To	C.F.S.	(or) A.F.A
IRRIGATION	04/01	10/31	0.33	108

7. Total Quantity Appropriated is:
0.33 C.F.S. and/or 108 A.F.A.

8. Total consumptive use:

9. Non-irrigation uses:

10. Place of use:

Township	Range	Section	1/4 of 1/4	Lot	Use	Acres
01N	01W	8	NW NE		IRRIGATION	5
			SW NE		IRRIGATION	19
					Section Acres	24
					Total Acres	24

11. Place of use in counties: ADA

12. Do you own the property listed above as place of use? Yes

13. Other Water Rights Used:

14. Remarks:

3319

This claim is the result of a split due to change in ownership for a portion of 63-3119. DB 8/1/2001

15. Basis of Claim: License

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP

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WATER RESOURCES
WESTERN REGION

Please print or type. Attach pages with additional information. Instructions are included at the end of this form.
 Incomplete forms will be returned.

1. Please list the water right number(s) and/or adjudication claim number(s) (if any) for each water right to be changed. List just the adjudication claim number if there is no corresponding water right record on file with the department. Indicate, by checking in the space provided, if the change in ownership is limited to a portion of a water right in which case division of the existing water right or adjudication claim record will be required.

Water Right No(s).	Adjudication Claim No(s).	Split	Water Right No(s).	Adjudication Claim No(s).	Split
63-03319					

2. The following **REQUIRED** information must be submitted with this form:

- A. The appropriate **FILING FEE**. See instructions for fee amounts.
- B. A copy of the most recent **DEED, TITLE POLICY, CONTRACT OF SALE** or other legal document indicating your ownership of the property and water right(s) or claim(s) in question, **WITH ATTACHED LEGAL DESCRIPTION**.
- C. Either of the following (if necessary to clarify division of water rights or other complex property descriptions):
PLAT OF PROPERTY or **SURVEY MAP** clearly showing the location of the point(s) of diversion and place of use of your water right(s) and/or adjudication claim(s) (these are usually attached to your deed or on file with the county),
OR
 If your water right(s) and/or adjudication claim(s) are for ten or more acres of irrigation, you must submit a USDA Farm Service Agency **AERIAL PHOTO** with the irrigated acres outlined and point(s) of diversion clearly marked. The **AERIAL PHOTO** should be submitted in place of the **PLAT OF PROPERTY** or **SURVEY MAP**.

3. Name and Address of Former Owner/Claimant(s) Irvin Boehlke
4. New Owner/Claimant(s) Robert A. + Ellen K. Svedin
 Name Connector (Check one): ☐ and, ☐ or, ☐ and/or
- New Mailing Address 7605 S. Robinson
- City, State and ZIP Code Kuna, Idaho 83634
- New Telephone Number (208) 495-2259

5. Date you acquired the property 2-4-2000

✓ Acknowledge Pledge on Zion Letter attached (high-Lited), send copy.
 - Send copy of ownership change to: Zion's 1st Nat. Bank
 606 State St
 Weiger ID 83672
 ATTN: D. Mahla

SEP 25 2000

6. If the change in ownership affects the entire water right for each water right or adjudication claim number listed in item 1, THEN SKIP THIS ITEM AND GO TO ITEM 7. If the change in ownership divides the water right(s) among multiple owners, you must describe, in detail, your portion of each water right after the change. Fill in the appropriate spaces in the box(es) below to describe your water right(s) after the change (one water right per box, you may copy this page as necessary). If your quantity of water is greater than a proportionate split, you must attach documentation to show justification for a larger amount. If you are not sure how to identify your portion of the original water right or adjudication claim records, please contact the nearest IDWR office for assistance.

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right(s) will not be split, skip this area and proceed to item 7)		
Water Right and/or Adjudication Claim Number _____		
Water Use	Diversion Rate or Volume (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc)
Irrigation	_____	_____
Stock	_____	_____
Domestic	_____	_____
Other _____	_____	_____
Total	_____	_____

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right(s) will not be split, skip this area and proceed to item 7)		
Water Right and/or Adjudication Claim Number _____		
Water Use	Diversion Rate or Volume (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc)
Irrigation	_____	_____
Stock	_____	_____
Domestic	_____	_____
Other _____	_____	_____
Total	_____	_____

7. Signature of New Owner(s) or Claimant(s) _____
(include title if applicable) _____

For Snake River Basin Adjudication Claims: Please attach a Notice of Appearance completed by your attorney, if you wish IDWR to correspond with him/her for all matters related to your claims.

For Office Use Only

Received by _____	Date _____	Fee _____
Received by _____	Date _____	Receipt No. _____
Processed by _____ AJ	Date _____	WR _____ Date _____

Split Tree A63-03319

A63-03319 N/O Boehlke

DR: 3.23 cfs AV: 1058 A.F.

POD: 1N, 1W, S8, NWSE

POD: 1N, 1W, S8, NWNE - 5	SWNE - 19
NESW - 19	SESW - 23
NESE - 12	NWSE - 39
SWSE - 39	SESE - 38 = 194
S17, NWNW - 2	SWNW - 39 = 41
	<u>235</u>

A63-31275 N/O Svehdin

DR: 2.90 cfs AV: 950.5 A.F.

POD: 1N, 1W, S8, NWSE

POU: 1N, 1W, S8, NESW - 19	SESW - 23
NESE - 12	NWSE - 39
SWSE - 39	SESE - 38 = 170
S17, NWNW - 2	SWNW - 39 = 41
	<u>211</u>

A63-31274 N/O Boehlke

DR: .33 cfs AV: 108 A.F.

POD: 1N, 1W, S8, NWSE

* POU: 1N, 1W, S8, NWNE - 5 SWNE - 19

* Per Canyon County records this land might be owned by Boehlke.

SWN
3.5

SWN
3.5

J6	State 11	Cty. 001	I 1	Tran 033	Reissue Amt. \$	Tran	Simultaneous Issue# SV 3185119
Code 05100	Amt. \$10.00	Code 05100	Amt. \$50.00	Code 05100	Amt. \$	Code 05100	Amt. \$

LOAN

SCHEDULE A

<u>FILE NO.</u>	<u>POLICY NO.</u>	<u>DATE OF POLICY</u>	<u>AMT OF INSURANCE</u>	<u>PREMIUM AMT</u>	<u>TOTAL AMT</u>
P186436	MM 3224160	February 8, 2000 at 4:04 P.M.	\$200,000.00	\$296.50	\$356.50

1. Name of Insured:

ZIONS FIRST NATIONAL BANK

2. The estate or interest in the land which is encumbered by the insured Mortgage is:

FEE SIMPLE

3. Title to the estate or interest in the land is vested in:

ROBERT A. SVEDIN AND ELLEN K. SVEDIN, HUSBAND AND WIFE

4. The insured mortgage and assignments thereof, if any, are described as follows:

A MORTGAGE TO SECURE AN INDEBTEDNESS OF \$ 200,000.00, AND ANY OTHER AMOUNTS AS THEREIN PROVIDED, PAYABLE UNDER THE TERMS, CONDITIONS, PROVISIONS AND STIPULATIONS THEREOF.

DATED: FEBRUARY 4, 2000

MORTGAGOR: ROBERT A. SVEDIN AND ELLEN K. SVEDIN, HUSBAND AND WIFE

MORTGAGEE: ZIONS FIRST NATIONAL BANK

RECORDED: FEBRUARY 8, 2000

INSTRUMENT NO.: 100009705

5. The land referred to in the Policy is described as follows:

SEE SCHEDULE C

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WATER RESOURCES
WESTERN LEGAL

COPY

Order No. P186436

MM 3224160

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WATER RESOURCES
WESTERN REGION

LOAN
SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorney's fees or expenses) which arise by reason of the following:

PART I

Special Exceptions:

1. GENERAL TAXES FOR THE YEAR 2000, WHICH ARE LIENS, ARE NOT YET DUE AND PAYABLE.
2. LIENS AND ASSESSMENTS OF THE FOLLOWING DISTRICT AND THE RIGHTS AND POWERS THEREOF AS PROVIDED BY LAW. NO DELINQUENCIES APPEAR IN THE COUNTY RECORDER'S OFFICE.
DISTRICT: BOISE KUNA IRRIGATION DISTRICT (922-5608)
3. RIGHTS AND CLAIMS IN AND TO ANY DITCH CANAL AND OR LATERAL RIGHT-OF-WAYS.
4. AN EASEMENT CONTAINING CERTAIN TERMS, CONDITIONS AND PROVISIONS AFFECTING A PORTION OF SAID PREMISES AND FOR THE PURPOSES STATED HEREIN
FOR: POWER LINE EASEMENT
IN FAVOR OF: IDAHO POWER COMPANY
RECORDED: AUGUST 8, 1963
INSTRUMENT NO.: 562923
AFFECTS: NW 1/4 NW 1/4, SECTION 17, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN.
5. AN EASEMENT CONTAINING CERTAIN TERMS, CONDITIONS AND PROVISIONS AFFECTING A PORTION OF SAID PREMISES AND FOR THE PURPOSES STATED HEREIN
FOR: POWER LINE EASEMENT
IN FAVOR OF: IDAHO POWER COMPANY
RECORDED: SEPTEMBER 17, 1967
INSTRUMENT NO.: 565960
6. RESERVATIONS CONTAINED IN DEED
DATED: FEBRUARY 15, 1982
EXECUTED BY: IRVIN W. BOEHLKE AND DORIS JEAN BOEHLKE
IN FAVOR OF: STEPHEN R. AND LAUREN S. BOEHLKE
RECORDED: FEBRUARY 17, 1982
INSTRUMENT NO: 8206218

CONTINUED

COPY

Order No. P186436 MM 3224160

7. AN EASEMENT CONTAINING CERTAIN TERMS, CONDITIONS AND PROVISIONS AFFECTING A PORTION OF SAID PREMISES AND FOR THE PURPOSES STATED HEREIN
FOR: UNDERGROUND POWER LINE EASEMENT
IN FAVOR OF: IDAHO POWER COMPANY
RECORDED: JANUARY 30, 1984
INSTRUMENT NO.: 8404542
8. AN EASEMENT CONTAINING CERTAIN TERMS, CONDITIONS AND PROVISIONS AFFECTING A PORTION OF SAID PREMISES AND FOR THE PURPOSES STATED HEREIN
FOR: MAINTAIN POND, PUMP AND PIPELINE
IN FAVOR OF: ADJACENT PROPERTY OWNER
RECORDED: JANUARY 28, 1987
INSTRUMENT NO.: 8705729
9. AN EASEMENT CONTAINING CERTAIN TERMS, CONDITIONS AND PROVISIONS AFFECTING A PORTION OF SAID PREMISES AND FOR THE PURPOSES STATED HEREIN
FOR: INGRESS AND EGRESS
IN FAVOR OF: ADJACENT PROPERTY OWNER
RECORDED: MARCH 6, 1990
INSTRUMENT NO.: 9011558
10. AN EASEMENT CONTAINING CERTAIN TERMS, CONDITIONS AND PROVISIONS AFFECTING A PORTION OF SAID PREMISES AND FOR THE PURPOSES STATED HEREIN
FOR: WATER DELIVERY AND INGRESS AND EGRESS
IN FAVOR OF: ADJACENT PROPERTY OWNER
RECORDED: MARCH 6, 1990
INSTRUMENT NO.: 9011559

END OF EXCEPTIONS

END OF SCHEDULE B - PART I

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WATER RESOURCES
WESTERN REGION

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SCHEDULE C

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SEP 27 2000
WATER RESOURCES
WESTERN REGION

SECTION 8, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN, ADA COUNTY, IDAHO.

THE EAST 1/2 SOUTHEAST 1/4 OF SECTION 8 AND PART OF THE WEST 1/2 SOUTHEAST 1/4 AND EAST 1/2 SOUTHWEST 1/4, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SECTION LINE 1317.8 FEET WEST OF THE CORNER COMMON TO SECTIONS 8, 9, 16 AND 17, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN RUNNING THENCE

NORTH 0 DEGREE 04' EAST 2642 FEET TO THE EAST AND WEST 1/4 SECTION LINE THROUGH THE CENTER OF SECTION 8; THENCE

WEST ON THE SECTION LINE THROUGH THE CENTER OF THE SECTION 1567.3 FEET TO A POINT ON THE EAST RIGHT OF WAY LINE OF THE WALDVOGEL LATERAL CANAL; THENCE

SOUTH 44 DEGREES 18' WEST 550 FEET ALONG THE EAST RIGHT OF WAY LINE OF THE CANAL; THENCE

SOUTH 21 DEGREES 55' WEST 220 FEET; THENCE

SOUTH 4 DEGREES 41' WEST 1995.2 FEET ALONG THE EAST RIGHT OF WAY LINE OF THE CANAL TO THE SECTION LINE; THENCE

EAST ON THE SECTION LINE BETWEEN SECTIONS 8 AND 17 A DISTANCE OF 2199.8 FEET TO THE POINT OF BEGINNING.

EXCEPT THE NORTH 933.38 FEET OF THE EAST 933.38 FEET OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 8, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE BOISE MERIDIAN.

ALSO

SECTION 17, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN, ADA COUNTY, IDAHO.

THE SOUTHWEST 1/4 NORTHWEST 1/4 AND ALL THAT PART OF THE NORTHWEST 1/4 NORTHWEST 1/4 LYING SOUTH OF THE WALDVOGEL CANAL.

EXCEPT

A PART OF THE SOUTHWEST 1/4 NORTHWEST 1/4 OF SECTION 17, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN, ADA COUNTY, IDAHO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SOUTHWEST 1/4 NORTHWEST 1/4, (WEST 1/4 CORNER), SAID CORNER MONUMENTED WITH A RAIL ROAD SPIKE; THENCE NORTH 89 DEGREES 50'48" EAST, A DISTANCE OF 299.08 FEET, (FORMERLY 300.00 FEET), ALONG THE SOUTH BOUNDARY OF SAID SOUTHWEST 1/4 NORTHWEST 1/4 TO THE POINT OF BEGINNING, SAID POINT MONUMENTED WITH A 1/2 INCH DIAMETER IRON PIN; THENCE CONTINUING

NORTH 89 DEGREES 50'48" EAST, A DISTANCE OF 106.00 FEET ALONG THE SOUTH BOUNDARY OF SAID SOUTHWEST 1/4 NORTHWEST 1/4 TO A 1/2 INCH DIAMETER IRON PIN; THENCE

NORTH 0 DEGREE 04'00" WEST, A DISTANCE OF 190.00 FEET PARALLEL WITH THE WEST BOUNDARY OF SAID SOUTHWEST 1/4 NORTHWEST 1/4 TO A 1/2 INCH DIAMETER IRON PIN; THENCE

SOUTH 89 DEGREES 50'48" WEST, A DISTANCE OF 106.00 FEET PARALLEL WITH THE SOUTH BOUNDARY OF SAID SOUTHWEST 1/4 NORTHWEST 1/4 TO A 1/2 INCH DIAMETER IRON PIN; THENCE

COPY

SOUTH 0 DEGREE 04'00" EAST, A DISTANCE OF 190.00 FEET PARALLEL WITH THE WEST BOUNDARY OF SAID SOUTHWEST 1/4 NORTHWEST 1/4 TO THE POINT OF BEGINNING.

AND EXCEPT

A PART OF THE SOUTHWEST 1/4 NORTHWEST 1/4 OF SECTION 17, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN, ADA COUNTY, IDAHO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SOUTHWEST 1/4 NORTHWEST 1/4, (WEST 1/4 CORNER), SAID CORNER MONUMENTED WITH A RAIL ROAD SPIKE; THENCE NORTH 89 DEGREES 50'48" EAST, A DISTANCE OF 405.08 FEET, (FORMERLY 441.00 FEET), ALONG THE SOUTH BOUNDARY OF SAID SOUTHWEST 1/4 NORTHWEST 1/4 TO THE POINT OF BEGINNING, SAID POINT MONUMENTED WITH A 1/2 INCH DIAMETER IRON PIN; THENCE CONTINUING

NORTH 89 DEGREES 50'48" EAST, A DISTANCE OF 400.00 FEET, (FORMERLY 350.00 FEET), ALONG THE SOUTH BOUNDARY OF SAID SOUTHWEST 1/4 NORTHWEST 1/4 TO A 1/2 INCH DIAMETER IRON PIN; THENCE

NORTH 0 DEGREE 04'00" WEST, A DISTANCE OF 383.00 FEET, (FORMERLY 387.00 FEET), PARALLEL WITH THE WEST BOUNDARY OF SAID SOUTHWEST 1/4 NORTHWEST 1/4 TO A 1/2 INCH DIAMETER IRON PIN; THENCE

SOUTH 89 DEGREES 50'48" WEST, A DISTANCE OF 400.00 FEET, (FORMERLY 350.00 FEET), PARALLEL WITH THE SOUTH BOUNDARY OF SAID SOUTHWEST 1/4 NORTHWEST 1/4 TO A 1/2 INCH DIAMETER IRON PIN; THENCE

SOUTH 0 DEGREE 04'00" EAST, A DISTANCE OF 383.00 FEET, (FORMERLY 387.00 FEET), PARALLEL WITH THE WEST BOUNDARY OF SAID SOUTHWEST 1/4 NORTHWEST 1/4 TO THE POINT OF BEGINNING.

END OF LEGAL DESCRIPTION

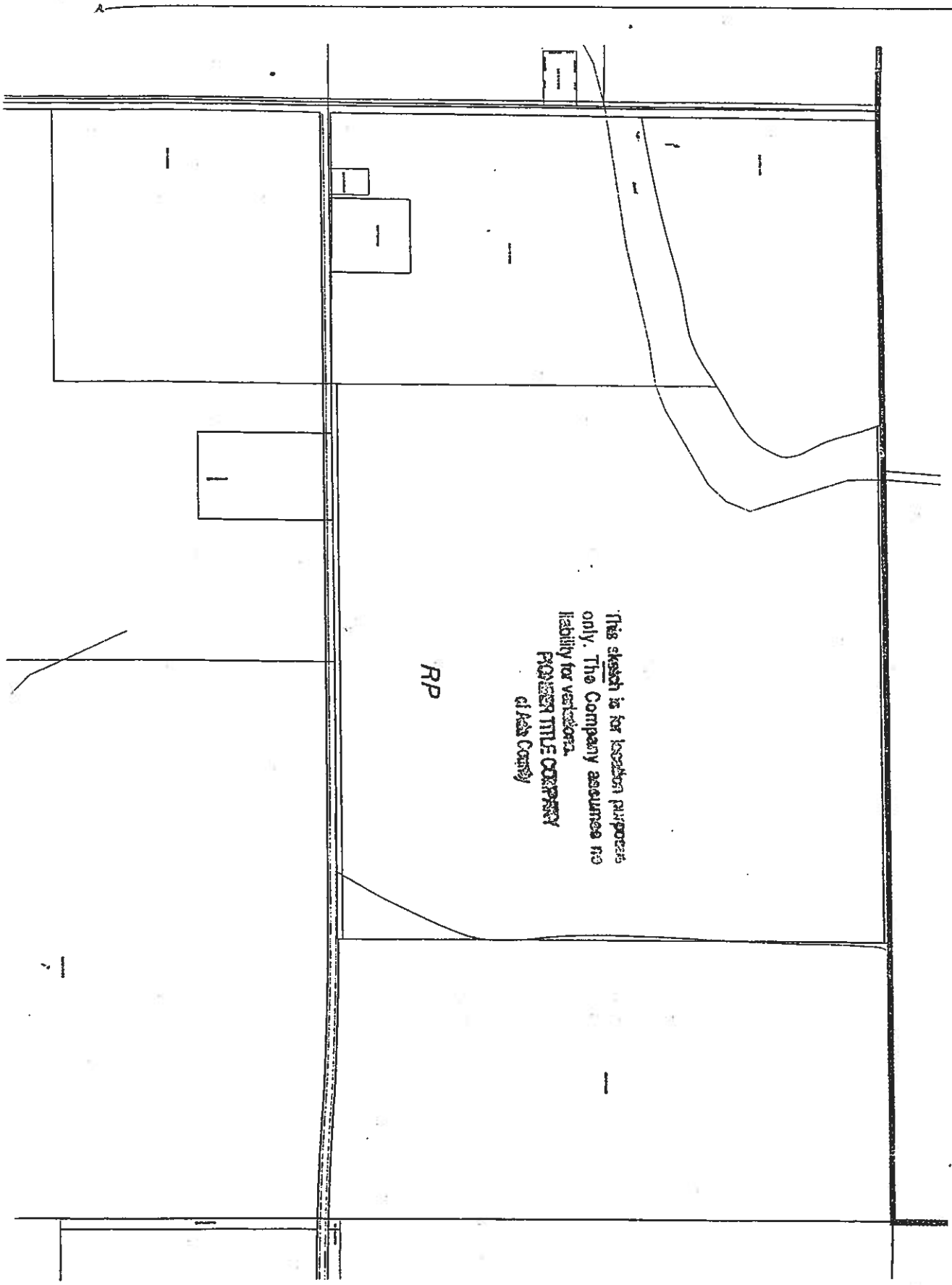


NORTH
 0 100 200
 FEET
 SCALE: 1" = 200 FT

This is a preliminary map and should not be used for any legal purposes. It is subject to change without notice.

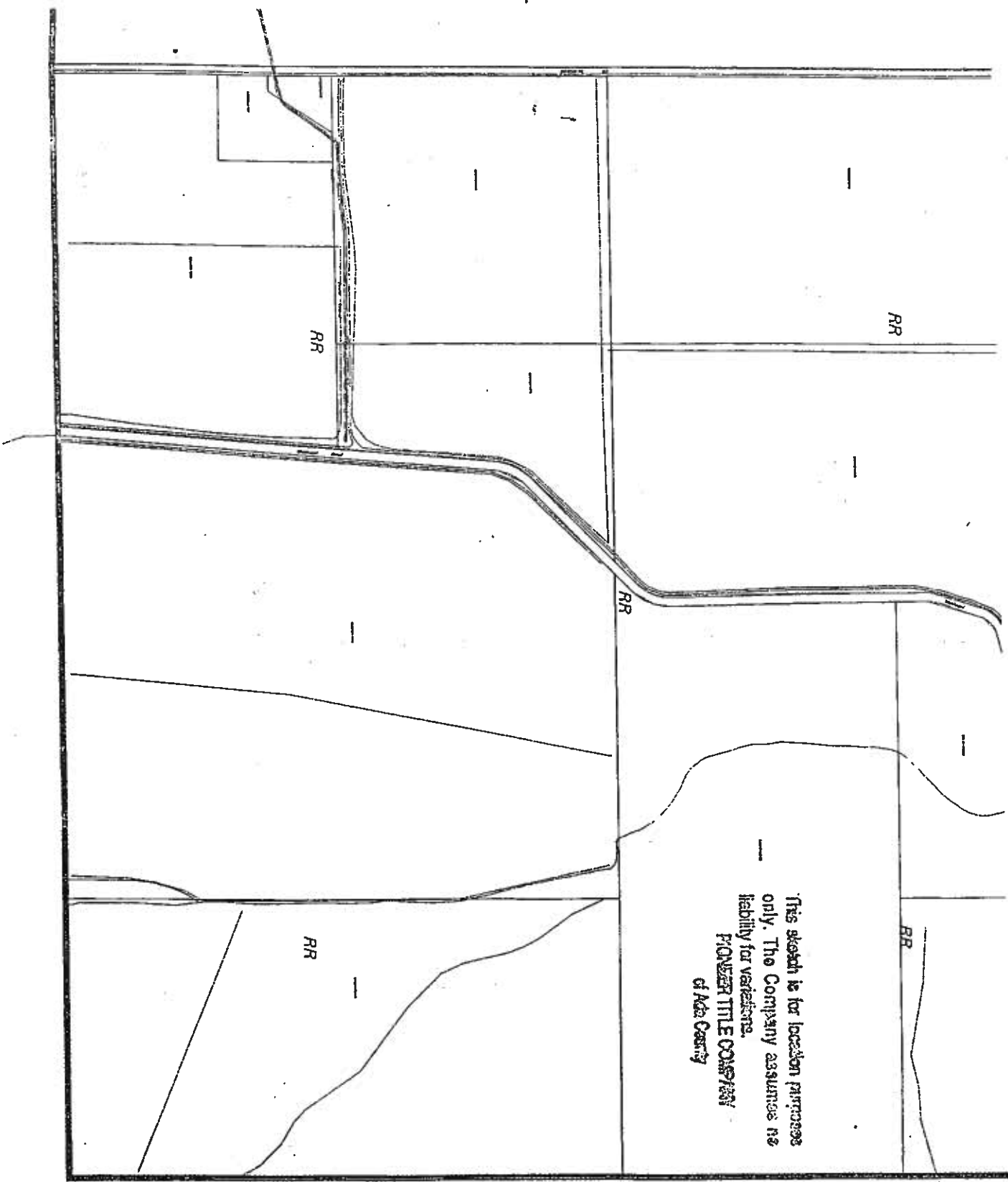
SECTION 17, T1N R1W

This map is made from data supplied by Ada County. Ada County shall not be liable for any errors or omissions in this map. However, use in any other form requires the written permission of Ada County.



This sketch is for location purposes only. The Company assumes no liability for verifications.
 PROGRESS TITLE COMPANY
 of Ada County

RP



This sketch is for location purposes only. The Company assumes no liability for variations.
PIONEER TITLE COMPANY
of Ada County

FEB 10 2000

WATER RESOURCES
WESTERN REGION

Water Source: GROUNDWATER										Tributary to:										Stage: LICENSE																			
Point(s) of Diversion:										T01N W01W S00										NWSE																			
Place of use legal Description for: IRRIGATION										ADA County																													
NE										NW										SW										SE									
T		R		S		Lt		Ac		Lt		Ac		Lt		Ac		Lt		Ac		Lt		Ac		Lt		Ac		Lt		Ac		SOM					
01N		01W		8				05		19																													
01N		01W		17										02		39																							
																																TOTAL ACRES		215.0					

POU COUNTY: ADA

Dates: App. Received: Priority Date: 11/21/1962
 Proof Due Date: Proof Made Date;
 Exam Made Date: Exam Sent to S.O.;
 Licensed Date: 08/28/1979

Misc: Water District Number: Field Exam Fee:

R.S.
E.K.S.

RECORDATION REQUESTED FROM

ZIONS FIRST NATIONAL BANK
130 PLYMOUTH AVENUE
NEW PLYMOUTH, ID 83655

WHEN RECORDED MAIL TO:

ZIONS FIRST NATIONAL BANK
130 PLYMOUTH AVENUE
NEW PLYMOUTH, ID 83655

SEND TAX NOTICES TO:

ROBERT A. SVEDIN and ELLEN K. SVEDIN
7605 SOUTH ROBINSON
KUNA, ID 83634

RECEIVED

FEB 10 2000

WATER RESOURCES
WESTERN REGION

*Recorded
3-8-2000
#100009708*

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MORTGAGE

THIS MORTGAGE IS DATED FEBRUARY 4, 2000, between ROBERT A. SVEDIN and ELLEN K. SVEDIN, whose address is 7605 SOUTH ROBINSON, KUNA, ID 83634 (referred to below as "Grantor"); and ZIONS FIRST NATIONAL BANK, whose address is 130 PLYMOUTH AVENUE, NEW PLYMOUTH, ID 83655 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages, grants, bargains, sells and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal energy and similar matters, located in ADA County, State of Idaho (the "Real Property"):

SEE ATTACHED EXHIBIT "A" FOR LEGAL DESCRIPTION.

The Real Property or its address is commonly known as ROBINSON BLVD AND KUNA CAVE ROAD, KUNA, ID 83634. The Real Property tax identification number is 91-S2208410000; 91-S2208311000 AND 273-S2217233605.

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

DEFINITIONS. The following words shall have the following meanings when used in this Mortgage. Terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Grantor. The word "Grantor" means ROBERT A. SVEDIN and ELLEN K. SVEDIN. The Grantor is the mortgagor under this Mortgage.

Guarantor. The word "Guarantor" means and includes without limitation each and all of the guarantors, sureties, and accommodation parties in connection with the Indebtedness.

Improvements. The word "Improvements" means and includes without limitation all existing and future improvements, buildings, structures, and mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal and interest payable under the Note and any amounts expended or advanced by Lender to discharge obligations of Grantor or expenses incurred by Lender to enforce obligations of Grantor under this Mortgage, together with interest on such amounts as provided in this Mortgage. In addition to the Note, the word "Indebtedness" includes all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor, or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, absolute or contingent, liquidated or unliquidated and whether Grantor may be liable individually or jointly with others, whether obligated as guarantor or otherwise, and whether recovery upon such Indebtedness may be or hereafter may become barred by a statute of limitations, and whether such Indebtedness may be or hereafter may become otherwise unenforceable.

Lender. The word "Lender" means ZIONS FIRST NATIONAL BANK, its successors and assigns. The Lender is the mortgagee under this Mortgage.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender, and includes without limitation all assignments and security interest provisions relating to the Personal Property and Rents.

Note. The word "Note" means the promissory note or credit agreement dated February 4, 2000, in the original principal amount of \$200,000.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. The maturity date of this Mortgage is February 15, 2020. **NOTICE TO GRANTOR: THIS NOTE CONTAINS A VARIABLE INTEREST RATE.**

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds and premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the property, interests and rights described above in the "Grant of Mortgage" section.

Related Documents. The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ALL OBLIGATIONS OF GRANTOR UNDER THIS MORTGAGE AND THE RELATED DOCUMENTS. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due, and shall strictly perform all of Grantor's obligations under this Mortgage.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until in default, Grantor may remain in possession and control of and operate and manage the Property and collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Hazardous Substances. The terms "hazardous waste," "hazardous substance," "disposal," "release," and "threatened release," as used in this Mortgage, shall have the same meanings as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-471 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. The term "hazardous waste" and "hazardous substance" shall also include, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos. Grantor represents and warrants to Lender that: (a) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous waste or substance by any person on, under, about or from the Property; (b) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed and acknowledged by Lender in writing, (i) any use, generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous waste or substance on, under, about or from the Property by any prior owners or occupants of the Property or (ii) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (c) Except as previously disclosed to and acknowledged by Lender in writing, (i) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of, or release any hazardous waste or substance on, under, about or from the Property and (ii) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation those law regulations, and ordinances described above. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for hazardous waste and hazardous substances. Grantor hereby (a) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws, and (b) agrees to indemnify and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of a hazardous waste or substance on the properties. The provisions of this section of the Mortgage, including the obligation to indemnify, shall survive the payment of the indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), soil, gravel or rock products without the prior written consent of Lender.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without the prior written consent of Lender. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and its agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans with Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon nor leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at its option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without the Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest therein; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of Real Property interest. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests as the case may be, of Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Idaho law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are a part of this Mortgage.

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charge and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for service rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Mortgage, except for the lien of taxes and assessments not due, and except as otherwise provided in the following paragraph.

Right To Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or

requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and reasonable attorneys' fees or other charges that could accrue as a result of a foreclosure or sale under lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, service or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Mortgage.

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all Improvements on the Real Property in an amount sufficient to avoid application of a coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption and boiler insurance as Lender may require. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of ten (10) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by an act, omission or default of Grantor or any other person. Should the Real Property at any time become located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at its election, apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed Improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Mortgage. Any proceeds which have not been disbursed within 180 days after their receipt at which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor.

Unexpired Insurance at Sale. Any unexpired insurance shall inure to the benefit of, and pass to, the purchaser of the Property covered by this Mortgage at any trustee's sale or other sale held under the provisions of this Mortgage, or at any foreclosure sale of such Property.

Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (a) the name of the insurer; (b) the risks insured; (c) the amount of the policy; (d) the property insured, its then current replacement value of such property, and the manner of determining that value; and (e) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

EXPENDITURES BY LENDER. If Grantor fails to comply with any provision of this Mortgage, or if any action or proceeding is commenced that would materially affect Lender's interests in the Property, Lender on Grantor's behalf may, but shall not be required to, take any action that Lender deems appropriate. Any amount that Lender expends in so doing will bear interest at the rate provided for in the Note from the date incurred or paid to Lender to the date of repayment by Grantor. All such expenses, at Lender's option, will (a) be payable on demand, (b) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (i) the term of any applicable insurance policy or (ii) the remaining term of the Note, or (c) be treated as a balloon payment which will be due and payable at the Note's maturity. This Mortgage also will secure payment of these amounts. The rights provided for in this paragraph shall be in addition to any other rights or any remedies to which Lender may be entitled on account of the default. Any such action by Lender shall not be construed as curing the default so as to bar Lender from any remedy that it otherwise would have had.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Mortgage.

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage, and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

CONDEMNATION. The following provisions relating to condemnation of the Property are a part of this Mortgage.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses and attorneys' fees incurred by Lender in connection with the condemnation.

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments as may be requested by it from time to time to permit such participation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees

and charges are a part of this Mortgage:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and la whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

Taxes. The following shall constitute taxes to which this section applies: (a) a specific tax upon this type of Mortgage or upon all or any part the Indebtedness secured by this Mortgage; (b) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on t Indebtedness secured by this type of Mortgage; (c) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; a (d) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Grantor.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the sar effect as an Event of Default (as defined below), and Lender may exercise any or all of its available remedies for an Event of Default as provid below unless Grantor either (a) pays the tax before it becomes delinquent, or (b) contests the tax as provided above in the Taxes and Lie section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Mortgage as a security agreement are a part of It Mortgage.

Security Agreement. This instrument shall constitute a security agreement to the extent any of the Property constitutes fixtures or other person property, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall execute financing statements and take whatever other action is requested by Lender perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Mortgage in the real proper records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of It Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security intere Upon default, Grantor shall assemble the Personal Property in a manner and at a place reasonably convenient to Grantor and Lender and make available to Lender within three (3) days after receipt of written demand from Lender.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party), from which information concerning the security intere granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code), are as stated on the first page of this Mortgage.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of It Mortgage.

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to t made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgage deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificate and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, preserve (a) the obligations of Grantor under the Note, this Mortgage, and the Related Documents, and (b) the liens and security interes created by this Mortgage as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by la or agreed to the contrary by Lender in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matte referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpos of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Grantor pays all the Indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under th Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financir statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, ar reasonable termination fee as determined by Lender from time to time.

DEFAULT. Each of the following, at the option of Lender, shall constitute an event of default ("Event of Default") under this Mortgage:

Default on Indebtedness. Failure of Grantor to make any payment when due on the Indebtedness.

Default on Other Payments. Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or ar other payment necessary to prevent filing of or to effect discharge of any lien.

Compliance Default. Failure of Grantor to comply with any other term, obligation, covenant or condition contained in this Mortgage, the Note or any of the Related Documents.

Default in Favor of Third Parties. Should Grantor default under any loan, extension of credit, security agreement, purchase or sales agreemer or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or Grantor's ability to repay th Note or Grantor's ability to perform Grantor's obligations under this Mortgage or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by or on behalf of Grantor under this Mortgage, th Note or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished.

Defective Collateralization. This Mortgage or any of the Related Documents ceases to be in full force and effect (including failure of any collater documents to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The death of Grantor or the dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or th commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Foreclosure, Forfeiture, etc. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession c any other method, by any creditor of Grantor or by any governmental agency against any of the Property. However, this subsection shall not appl in the event of a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the foreclosure or forfeitur proceeding, provided that Grantor gives Lender written notice of such claim and furnishes reserves or a surety bond for the claim satisfactory t Lender.

Breach of Other Agreement. Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not remedie within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor t Lender, whether existing now or later.

Events Affecting Guarantor. Any or the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness. Lender, at its option, may, shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure the Event of Default.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith deems itself insecure.

Right to Cure. If such a failure is curable and if Grantor has not been given a notice of a breach of the same provision of this Mortgage within preceding twelve (12) months, it may be cured (and no Event of Default will have occurred) if Grantor, after Lender sends written notice demanding cure of such failure: (a) cures the failure within fifteen (15) days; or (b) if the cure requires more than fifteen (15) days, immediately initiates steps sufficient to cure the failure and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of any Event of Default and at any time thereafter but subject to any limitation in Note or any limitation in this Mortgage, Lender, at its option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty which Grantor would be required to pay.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demands shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Judicial Foreclosure. Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

Nonjudicial Sale. If permitted by applicable law, Lender may foreclose Grantor's interest in all or in any part of the Personal Property or the Real Property by nonjudicial sale.

Deficiency Judgment. If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (a) pay a reasonable rental for the use of the Property, or (b) vacate the Property immediately upon the demand of Lender.

Other Remedies. Lender shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity.

Sale of the Property. To the extent permitted by applicable law, Grantor hereby waives any and all right to have the property marshalled. In exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time at which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition.

Waiver; Election of Remedies. A waiver by any party of a breach of a provision of this Mortgage shall not constitute a waiver of or prejudice to any party's rights otherwise to demand strict compliance with that provision or any other provision. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or take action to perform an obligation of Grantor under this Mortgage after failure of Grantor to perform shall not affect Lender's right to declare a default and exercise its remedies under this Mortgage.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as reasonable attorneys' fees at trial and on any appeal. Whether or not any court action is involved, all reasonable expenses incurred by Lender that in Lender's opinion are necessary at any time for the protection of its interest or for enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest from the date of expenditure until repaid at the rate provided for in the Note. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, appraisals, appraisal fees, and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

NOTICES TO GRANTOR AND OTHER PARTIES. Any notice under this Mortgage, including without limitation any notice of default and any notice of sale to Grantor, shall be in writing, may be sent by telefacsimile (unless otherwise required by law), and shall be effective when actually delivered, when deposited with a nationally recognized overnight courier, or, if mailed, shall be deemed effective when deposited in the United States mail first class, certified or registered mail, postage prepaid, directed to the addresses shown near the beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving formal written notice to the other parties, specifying that the purpose of the notice is to change its address. All copies of notices of foreclosure from the holder of any lien which has priority over this Mortgage shall be sent to Lender's address as shown near the beginning of this Mortgage. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Mortgage:

Amendments. This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to all matters set forth in this Mortgage. No alteration of or amendment to this Mortgage shall be effective unless given in writing and signed by all parties to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certificate of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Applicable Law. This Mortgage has been delivered to Lender and accepted by Lender in the State of Idaho. Subject to the provisions of this arbitration, this Mortgage shall be governed by and construed in accordance with the laws of the State of Idaho.

ARBITRATION DISCLOSURES:

1. ARBITRATION IS FINAL AND BINDING ON THE PARTIES AND SUBJECT TO ONLY VERY LIMITED REVIEW BY A COURT.
2. IN ARBITRATION THE PARTIES ARE WAIVING THEIR RIGHT TO LITIGATE IN COURT, INCLUDING THEIR RIGHT TO A JURY TRIAL.
3. DISCOVERY IN ARBITRATION IS MORE LIMITED THAN DISCOVERY IN COURT.
4. ARBITRATORS ARE NOT REQUIRED TO INCLUDE FACTUAL FINDINGS OR LEGAL REASONING IN THEIR AWARDS. THE RIGHT TO APPEAL OR TO SEEK MODIFICATION OF ARBITRATORS' RULINGS IS VERY LIMITED.
5. A PANEL OF ARBITRATORS MIGHT INCLUDE AN ARBITRATOR WHO IS OR WAS AFFILIATED WITH THE BANKING INDUSTRY ASSOCIATION.
6. IF YOU HAVE QUESTIONS ABOUT ARBITRATION, CONSULT YOUR ATTORNEY OR THE AMERICAN ARBITRATION ASSOCIATION.

(a) Any claim or controversy ("Dispute") between or among the parties and their assigns, including but not limited to Disputes arising out of or relating to this agreement, this arbitration provision ("arbitration clause"), or any related agreements or instruments relating hereto or delivered in connection herewith ("Related Documents"), and including but not limited to a Dispute based on or arising from an alleged tort shall at the request of any party be resolved by binding arbitration in accordance with the applicable arbitration rules of the American Arbitration Association (the "Administrator"). The provisions of this arbitration clause shall survive any termination, amendment, or expiration of this agreement or Related Documents. The provisions of this arbitration clause shall supersede any prior arbitration agreement between or among the parties. If any provision of this arbitration clause should be determined to be unenforceable, all other provisions of this arbitration clause shall remain in full force and effect.

(b) The arbitration proceedings shall be conducted in Salt Lake City, Utah, at a place to be determined by the Administrator. The Administrator and the arbitrator(s) shall have the authority to the extent practicable to take any action to require the arbitration proceeding to be completed and the arbitrator(s) award issued within one hundred fifty (150) days of the filing of the Dispute with the Administrator. The arbitrator(s) shall have the authority to impose sanctions on any party that fails to comply with time periods imposed by the Administrator on the arbitrator(s), including the sanction of summarily dismissing any Dispute or defense with prejudice. The arbitrator(s) shall have the authority to resolve any Dispute regarding the terms of this agreement, this arbitration clause or Related Documents, including any claim or controversy regarding the arbitrability of any Dispute. All limitations periods applicable to any Dispute or defense, whether by statute or agreement, shall apply to any arbitration proceeding hereunder and the arbitrator(s) shall have the authority to decide whether any Dispute or defense is barred by a limitations period and, if so, to summarily enter an award dismissing any Dispute or defense on that basis. The doctrines of compulsory counterclaim, res judicata, and collateral estoppel shall apply to any arbitration proceeding hereunder so that a party must state as a counterclaim in the arbitration proceeding any claim or controversy which arises out of the transaction or occurrence that is the subject matter of the Dispute. The arbitrator(s) may in the arbitrator(s)' discretion and at the request of any party: (1) consolidate in a single arbitration proceeding any other claim or controversy involving another party that is substantially related to the Dispute where that other party is bound by an arbitration clause with the Lender, such as borrowers, guarantors, sureties, and owners of collateral; (2) consolidate in a single arbitration proceeding any other claim or controversy that is substantially similar to the Dispute; and (3) administer multiple arbitrator claims or controversies as class actions in accordance with the provisions of Rule 23 of the Federal Rules of Civil Procedure.

(c) The arbitrator(s) shall be selected in accordance with the rules of the Administrator from panels maintained by the Administrator. A single arbitrator shall have expertise in the subject matter of the Dispute. Where three arbitrators conduct an arbitration proceeding, the Dispute shall be decided by a majority vote of the three arbitrators, at least one of whom must have expertise in the subject matter of the Dispute and at least one of whom must be a practicing attorney. The arbitrator(s) shall award to the prevailing party recovery of all costs and fees (including attorneys' fees and costs, arbitration administration fees and costs, and arbitrator(s)' fees). The arbitrator(s), either during the pendency of the arbitration proceeding or as part of the arbitration award, also may grant provisional or ancillary remedies, including but not limited to an award of injunctive relief, foreclosure, sequestration, attachment, replevin, garnishment, or the appointment of a receiver.

(d) Judgment upon an arbitration award may be entered in any court having jurisdiction, subject to the following limitation: the arbitrator award is binding upon the parties only if the amount does not exceed Four Million Dollars (\$4,000,000.00); if the award exceeds that limit, either party may demand the right to a court trial. Such a demand must be filed with the Administrator within thirty (30) days following the date of the arbitration award; if such a demand is not made within that time period, the amount of the arbitration award shall be binding. The computation of the total amount of an arbitration award shall include amounts awarded for attorneys' fees and costs, arbitration administration fees and costs, and arbitrator(s)' fees.

(e) No provision of this arbitration clause, nor the exercise of any rights hereunder, shall limit the right of any party to: (1) judicially or non-judicially foreclose against any real or personal property collateral or other security; (2) exercise self-help remedies, including but not limited to repossession and setoff rights; or (3) obtain from a court having jurisdiction thereover any provisional or ancillary remedies, including but not limited to injunctive relief, foreclosure, sequestration, attachment, replevin, garnishment, or the appointment of a receiver. Such rights can be exercised at any time, before or during initiation of an arbitration proceeding, except to the extent such action is contrary to the arbitration award. The exercise of such rights shall not constitute a waiver of the right to submit any Dispute to arbitration, and any claim or controversy related to the exercise of such rights shall be a Dispute to be resolved under the provisions of this arbitration clause. Any party may initiate arbitration with the Administrator; however, if any party initiates litigation and another party disputes any allegation in that litigation, the disputing party—upon the request of the initiating party—must file a demand for arbitration with the Administrator and pay the Administrator's filing fee. The parties may serve by mail a notice of an initial motion for an order of arbitration.

(f) Notwithstanding the applicability of any other law to this agreement, the arbitration clause, or Related Documents between or among the parties, the Federal Arbitration Act, 9 U.S.C. Section 1 et seq., shall apply to the construction and interpretation of this arbitration clause.

Caption Headings. Caption headings in this Mortgage are for convenience purposes only and are not to be used to interpret or define the provisions of this Mortgage.

Merger. There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Multiple Parties. All obligations of Grantor under this Mortgage shall be joint and several, and all references to Grantor shall mean each and every Grantor. This means that each of the persons signing below is responsible for all obligations in this Mortgage.

Severability. If a court of competent jurisdiction finds any provision of this Mortgage to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Mortgage in all other respects shall remain valid and enforceable.

Successors and Assigns. Subject to the limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Mortgage or liability under the indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Mortgage.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Idaho as to all indebtedness secured by this Mortgage.

Waivers and Consents. Lender shall not be deemed to have waived any rights under this Mortgage (or under the Related Documents) unless such waiver is in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by any party of a provision of this Mortgage shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or any of Grantor's obligations as to any future transactions. Whenever consent by Lender is required in this Mortgage, the granting of such consent by Lender in any instance shall not constitute continuing consent in subsequent instances where such consent is required.

EXCESSIVE EROSION. DEFAULT SHALL ALSO EXIST IF ANY LOAN PROCEEDS ARE USED FOR A PURPOSE THAT WILL CONTRIBUTE TO EXCESSIVE EROSION OF HIGHLY ERODIBLE LAND OR TO THE CONVERSION OF WETLAND TO PRODUCE OR TO MAKE POSSIBLE THE PRODUCTION OF AN AGRICULTURAL COMMODITY, FURTHER EXPLAINED IN 7 CFR PART 1940, SUBPART G, EXHIBIT M.

EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR:

X Robert A. Svedin
ROBERT A. SVEDIN

X Ellen K. Svedin
ELLEN K. SVEDIN

INDIVIDUAL ACKNOWLEDGMENT

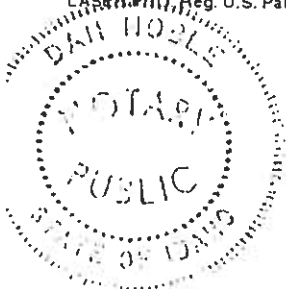
STATE OF Idaho)
) SS
COUNTY OF Washington)

On this 4th day of February, in the year 2000, before me Dan Noble, a notary public in and for the State of Idaho, personally appeared ROBERT A. SVEDIN and ELLEN K. SVEDIN, known or identified to me (or proved to me on the oath of _____), to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

Dan Noble
Notary Public for Idaho

Residing at Weiser, ID

My commission expires Feb. 16, 2000



FEB 10 2000

WATER RESOURCES
WESTERN REGION

SECTION 8, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN, ADA COUNTY, IDAHO.

THE EAST 1/2 SOUTHEAST 1/4 OF SECTION 8 AND PART OF THE WEST 1/2 SOUTHEAST 1/4 AND EAST 1/2 SOUTHWEST 1/4, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SECTION LINE 1317.8 FEET WEST OF THE CORNER COMMON TO SECTIONS 8, 9, 16 AND 17, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN RUNNING THENCE

NORTH 0 DEGREE 04' EAST 2642 FEET TO THE EAST AND WEST 1/4 SECTION LINE THROUGH THE CENTER OF SECTION 8; THENCE

WEST ON THE SECTION LINE THROUGH THE CENTER OF THE SECTION 1587.3 FEET TO A POINT ON THE EAST RIGHT OF WAY LINE OF THE WALDVOGEL LATERAL CANAL; THENCE

SOUTH 44 DEGREES 18' WEST 550 FEET ALONG THE EAST RIGHT OF WAY LINE OF THE CANAL; THENCE

SOUTH 21 DEGREES 55' WEST 220 FEET; THENCE

SOUTH 4 DEGREES 41' WEST 1005.2 FEET ALONG THE EAST RIGHT OF WAY LINE OF THE CANAL TO THE SECTION LINE; THENCE

EAST ON THE SECTION LINE BETWEEN SECTIONS 8 AND 17 A DISTANCE OF 2188.8 FEET TO THE POINT OF BEGINNING.

EXCEPT THE NORTH 833.38 FEET OF THE EAST 833.38 FEET OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 8, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE BOISE MERIDIAN.

ALSO

SECTION 17, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN, ADA COUNTY, IDAHO.

THE SOUTHWEST 1/4 NORTHWEST 1/4 AND ALL THAT PART OF THE NORTHWEST 1/4 NORTHWEST 1/4 LYING SOUTH OF THE WALDVOGEL CANAL.

EXCEPT

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST 1/4 NORTHWEST 1/4 OF SECTION 17, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE BOISE MERIDIAN; THENCE

RUNNING EAST ALONG THE SOUTHERLY BOUNDARY LINE OF THE SAID SOUTHWEST 1/4 NORTHWEST 1/4 A DISTANCE OF 441 FEET TO THE REAL POINT OF BEGINNING; THENCE

NORTH AND PARALLEL TO THE WESTERLY BOUNDARY LINE OF THE SAID SOUTHWEST 1/4 NORTHWEST 1/4 A DISTANCE OF 387 FEET; THENCE

EASTERLY AND PARALLEL TO THE SOUTHERLY BOUNDARY LINE OF THE SAID SOUTHWEST 1/4 NORTHWEST 1/4 A DISTANCE OF 350 FEET; THENCE

SOUTH AND PARALLEL TO THE WESTERLY LINE OF THE SAID SOUTHWEST 1/4 NORTHWEST 1/4 A DISTANCE OF 387 FEET TO A POINT IN THE SOUTHERLY BOUNDARY LINE THE SAID SOUTHWEST 1/4 NORTHWEST 1/4; THENCE

WEST AND ALONG THE SOUTHERLY BOUNDARY LINE OF THE SAID SOUTHWEST 1/4 NORTHWEST 1/4 A DISTANCE OF 350 FEET TO THE REAL POINT OF BEGINNING.

R.A.S.
E.K. Jo

EXHIBIT A

CONTINUED

AND EXCEPT

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 17, TOWNSHIP 1 NORTH, RANGE 1 WEST, BOISE MERIDIAN, ADA COUNTY, IDAHO; THENCE RUNNING EAST ALONG THE SOUTHERLY BOUNDARY LINE OF THE SAID SOUTHWEST QUARTER OF THE NORTHWEST QUARTER A DISTANCE OF 300 FEET TO THE REAL POINT OF BEGINNING; THENCE

NORTH AND PARALLEL TO THE WESTERLY BOUNDARY LINE OF THE SAID SOUTHWEST QUARTER OF THE NORTHWEST QUARTER A DISTANCE OF 190 FEET; THENCE EASTERLY AND PARALLEL TO THE SOUTHERLY BOUNDARY LINE OF THE SAID SOUTHWEST QUARTER OF THE NORTHWEST QUARTER A DISTANCE OF 106 FEET; THENCE SOUTH AND PARALLEL TO THE WESTERLY LINE OF THE SAID SOUTHWEST QUARTER OF THE NORTHWEST QUARTER A DISTANCE OF 190 FEET TO A POINT IN THE SOUTHERLY BOUNDARY LINE OF THE SAID SOUTHWEST QUARTER OF THE NORTHWEST QUARTER; THENCE

WEST AND ALONG THE SOUTHERLY BOUNDARY LINE OF THE SAID SOUTHWEST QUARTER OF THE NORTHWEST QUARTER A DISTANCE OF 106 FEET TO THE REAL POINT OF BEGINNING.

TOGETHER WITH ALL WATER RIGHTS APPORTUANT THERETO AS DESCRIBED ON THE ATTACHED EXHIBIT "B".

R. A. S.
S. K. S.



IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE STATE OF IDAHO,
IN AND FOR THE COUNTY OF TWIN FALLS

IN RE THE GENERAL ADJUDICATION
OF RIGHTS TO THE USE OF WATER FROM
THE SNAKE RIVER BASIN WATER SYSTEM.

CIVIL CASE NUMBER: 39576

Ident. Number: **A63-03319**
Date Received: 4/14/1989
Receipt No: C006345
Received By: _____

**NOTICE OF CLAIM TO A WATER RIGHT
ACQUIRED UNDER STATE LAW**

1. Name: STEPHEN R BOEHLKE 208-495-2291
Address: 6220 KUNA CAVE RD
KUNA ID 83634

Name: LAUREN S BOEHLKE 208-495-2291
Address: 6220 KUNA CAVE RD
KUNA ID 83634

2. Date of Priority: NOV 21, 1962

3. Source: GROUNDWATER Trib. to:

4. Point of Diversion:

Township	Range	Section	1/4 of	1/4 of	1/4	Lot	County
01N	01W	8	NW	SE			ADA

5. Description of diverting works:
WELL WITH TURBO PUMP

6. Water is used for the following purposes:

Purpose	From	To	C.F.S	(or)	A.F.A.
IRRIGATION	04/01	10/31	3.230		1058.00

7. Total Quantity Appropriated is:
3.230 C.F.S. (and/or) 1058.00 A.F.A.

8. Total consumptive use is Acre Feet Per Annum.

9. Non-irrigation uses:

10. Place of Use:

Township	Range	Section	1/4 of	1/4	Lot	Use	Acres
01N	01W	8	NW	NE		IRR	5.0

10. Place of Use: Continued

Township	Range	Section	1/4	of	1/4	Lot	Use	Acres
01N	01W	8	SW		NE		IRR	19.0
			NE		SW		IRR	19.0
			SE		SW		IRR	23.0
			NE		SE		IRR	12.0
			NW		SE		IRR	39.0
			SW		SE		IRR	39.0
			SE		SE		IRR	38.0
							Section Acres	194.0
		17	NW		NW		IRR	2.0
			SW		NW		IRR	39.0
							Section Acres	41.0
							Total Acres	235.0

11. Place of use in counties: ADA

12. Do you own the property listed above as place of use? YES

13. Other Water Rights Used:

14. Remarks:

CHANGE OF OWNERSHIP BY MTS 6/5/1996

15. Basis of Claim: LICENSE

Water Right Number: 30815

16. Signature(s)

(a.) By signing below, I/We acknowledge that I/We have received, read and understand the form entitled "How you will receive notice in the Snake River Basin Adjudication." (b.) I/We do _____ do not _____ wish to receive and pay a small annual fee for monthly copies of the docket sheet.

Number of attachments: _____

For Individuals:

I/We do solemnly swear or affirm that the statements contained in the foregoing document are true and correct.

Signature of Claimant(s): _____ Date: _____
_____ Date: _____

State of Idaho)
County of _____) SS.

Subscribed and sworn (or affirmed) before me this _____ day
of _____ 19 _____

Notary Public

Seal

Residing at _____

My Commission Expires _____

09/29/2006

IDAHO DEPARTMENT OF WATER RESOURCES
PRELIMINARY RECOMMENDATION OF WATER RIGHTS ACQUIRED UNDER STATE LAW

RIGHT NUMBER: 63-32498

NAME AND ADDRESS: LYNNE SVEDIN
7833 S ROBINSON RD
MELBA ID 83641

LONNIE L SVEDIN
7833 S ROBINSON RD
MELBA ID 83641

SOURCE: GROUND WATER

TRIBUTARY:

QUANTITY: 0.260 CFS
85.500 AFY

PRIORITY DATE: 11/21/1962

POINT OF DIVERSION:

T01N R01W S8 NWSE Within ADA County

PURPOSE AND
PERIOD OF USE:

PURPOSE OF USE

PERIOD OF USE

QUANTITY

IRRIGATION

04/01 10/31

0.260 CFS

85.50 AFY

The use of water for irrigation under this right may begin as early as March 1 and may continue to as late as November 15, provided other elements of the right are not exceeded. The use of water before April 1 and after October 31 under this remark is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date a partial decree is entered for this right.

PLACE OF USE: IRRIGATION Within ADA County

T01N R01W S08 SWNE 19.00

19 ACRES TOTAL

OTHER PROVISIONS NECESSARY FOR DEFINITION OR ADMINISTRATION OF THIS WATER RIGHT:

This partial decree is subject to such general provisions necessary for the definition of the rights or for the efficient administration of the water rights as may be ultimately determined by the Court at a point in time no later than the entry of a final unified decree. Section 42-1412(6), Idaho Code.

EXPLANATORY MATERIAL: BASIS OF CLAIM - License

This right is a split from former right 63-31274 .



Idaho Department of Water Resources

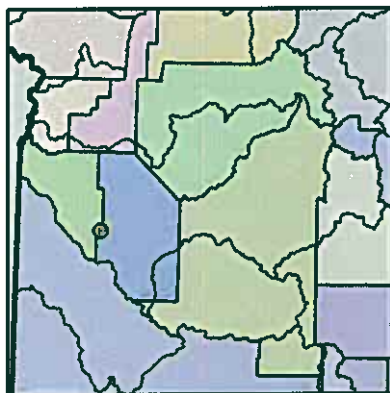
SRBA Recommendation:

63-32498

(Irrigation)

Legend

-  Point of Diversion
-  Place of Use
-  Townships
-  PLS Sections
-  Quarter Quarters



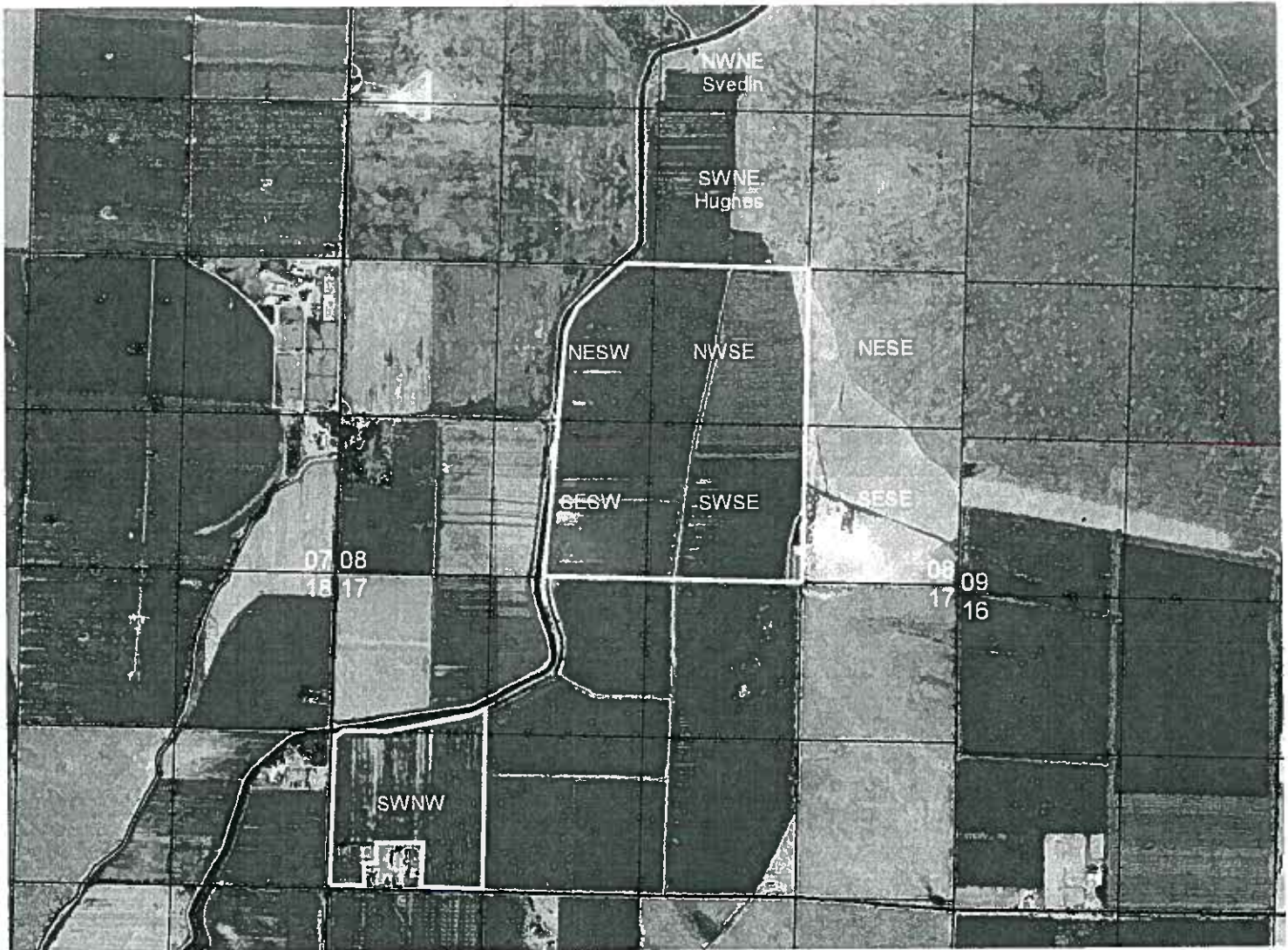
Ada County
IDWR Basin 63



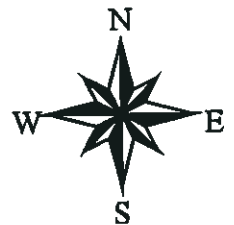
0 0.1 0.2 Miles

Prepared by S. Egbert
On Friday, September 29, 2006
1987/88 Aerial Photography

Svedin Loan Schedule C



1000 0 1000 2000 3000 4000 5000 6000 Feet



T01N R01W S08 & S17

Svedin Loan Schedule C does not include any of the place of use covered by claim 63-31274. Svedin does show as the owner of the 5 acres claimed in the NWNE according to Ada County Taxlot data.

CLF 12/22/04

1N 1W

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
1301 North Orchard Street, P.O. Box 83720
Boise, Idaho 83720-0098

Return Service Requested

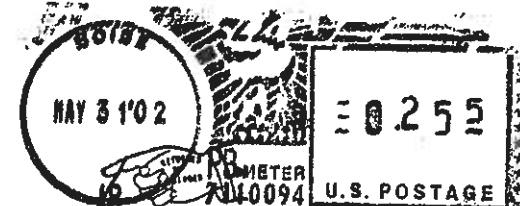
63-31274

8245 Melmont Rd
Melba 83641

RECEIVED
JUN 06 2002
WATER RESOURCES
WESTERN REGION

LAUREN S BOEHLKE
STEPHEN R BOEHLKE
6220 KUNA CAVE RD
KUNA ID 83634

PRESORTED
FIRST CLASS



- ☒ Not Deliverable As Addressed
- ☐ Unable To Forward
- ☐ Insufficient Address
- ☐ Moved, Left No Address
- ☐ Unclaimed ☐ Refused
- ☐ Attempted - Not Known
- ☐ No Such Street ☐ N. Inndr
- ☐ Vacant ☐ Illegible
- ☐ No Mail Receptacle
- ☐ Box Closed - No Order
- ☐ Returned For Better Address
- ☐ Postage Due _____

Sent again

6-10-02

State of Idaho

WATER LICENSE

Water License No. G-30815 Priority November 21, 1962 Amount 3.23 c.f.s.

THIS IS TO CERTIFY, that IRVIN BOEHLKE
of Kuna, Idaho, made application for a permit to appropriate the public waters of
the State of Idaho, dated November 21, 1962; that Permit G-30815 was issued pursuant
to said application; that the proposed works were completed on or about March 1963
with a storage or carrying capacity of 3.23 c.f.s., said works consisting of well, pump,
motor and earth and concrete ditches; and that on October 11, 1967,
proof was made to the satisfaction of the State Reclamation Engineer, of the beneficial use of 1058
acre feet per season, with a maximum rate of diversion of 3.23 cubic feet per second of the waters
of ground water, tributary of _____,
for the purpose of irrigation from April 1 to October 31;
and for _____ from _____ to _____; and for
_____ from _____ to _____; and that the use
of said waters has been made in accordance with the laws of Idaho, and is hereby confirmed by the State Recla-
mation Engineer and entered in the records of the Idaho Department of Reclamation: the point of diversion is
located in NW $\frac{1}{4}$ SE $\frac{1}{4}$, Sec. 8, T. 1 N, R. 1 W, B.M., and
other additional points _____, in the County of
Ada; and that the amount of water to which such right is
entitled and which is hereby confirmed, for the purposes aforesaid, is limited to an amount actually beneficially
used for said purposes and shall not exceed 1058 acre feet per year.

Description and location of place of use:

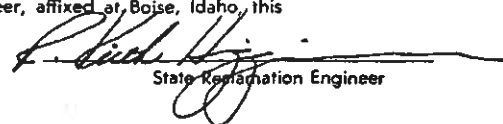
TWP.	RANGE	SEC.	NE $\frac{1}{4}$				NW $\frac{1}{4}$				SW $\frac{1}{4}$				SE $\frac{1}{4}$				TOTALS
			NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	
<u>1 N</u>	<u>1 W</u>	<u>8</u>		<u>5</u>	<u>19</u>						<u>19</u>			<u>23</u>	<u>12</u>	<u>39</u>	<u>39</u>	<u>38</u>	<u>194</u>
		<u>17</u>					<u>2</u>	<u>39</u>											<u>41</u>

Total number of acres irrigated 235

The right to the use of the water hereby confirmed is restricted to the lands or place of use herein described,
as provided by the laws of Idaho.

Witness the seal and signature of the State Reclamation Engineer, affixed at Boise, Idaho, this

21st day of March, 1969.


State Reclamation Engineer

30815 63 3319

September 29, 2006

LONNIE AND LYNNE SVEDIN
7833 S ROBINSON RD
MELBA, ID 83641

Re: Original Notice of Claim to a Water Right No. 63-31274
Renumbered Notice of Claim to a Water Right No. 63-32498

Dear Claimant(s):

We have received and processed a Change of Ownership for a portion of the original Claim to a Water Right Number as referenced above. This Change of Ownership required a split of the original claim resulting in renumbering this claim, using a new water right number to represent each split. The new Notice of Claim to a Water Right number for your portion is referenced above and a copy is enclosed.

Your portion of this claim has a specified point of diversion, nature of use and place of use. If you plan on changing the nature of use, place of use, or point of diversion under this right, including adding a new point of diversion, then an Application for Transfer on your portion of this right is required. Please contact this office for further information on the Application for Transfer form. If you do not plan on changing any items on your claim, then no further action is required at this time.

Please note that the enclosed Notice of Claim to a Water Right is not a determination of your water right. This claim represents a split of the claim filed by a previous owner during claims taking in the Snake River Basin Adjudication (SRBA) and has not yet been verified by this Department. Water rights are established and maintained by beneficial use of water for the uses designated on this claim form dating back to the priority date listed. This claim will be investigated, verified and recommended to the SRBA Court for court decree sometime in the near future. You will be notified prior to the beginning of any verification of this water right.

Thank you for your patience, as we have had several water right changes to process. Please feel free to contact this office if you have any questions concerning your claim or this letter.

Sincerely,

Adjudication Section
Western Region

LG: lg

Enclosure



State of Idaho

DEPARTMENT OF WATER RESOURCES

Western Region, 2735 Airport Way, Boise, Idaho 83705-5082 - (208) 334-2190

FAX (208) 334-2348

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

March 14, 2001

Robert & Ellen Svedin
7605 S. Robinson Rd
Kuna, ID 83634

Re: A63-03319

Dear Mr & Mrs Svedin:

We are reviewing the Notice of Change in Water Right Ownership and attachments that was filed for the above referenced water right. It appears from the legal description attached to the change of ownership form that you may not have purchased from Boehlke all of the land appurtenant to right 63-03319. Prior to splitting the water right records we need your verification of the land you did in fact purchase.

Please outline on the enclosed map the property you purchased from Boehlke. Return to my attention at the address above the map with a copy of the Deed that conveys the subject parcel from Boehlke to you. If you have any questions or discussion concerning this matter please call me at the number below.

Cordially,

A handwritten signature in cursive script that reads 'Mel Schulte'.

Mel Schulte
Sr. Water Rights Agent
208-334-2190

Encl.

ZIONS BANK

RECEIVED

FEB 10 2000

WEISER OFFICE

WATER RESOURCES
WESTERN REGION

Zions First National Bank

606 State Street

Weiser, Idaho 83672

(208) 549-3660

FAX (208) 549-3663

Notice of Pledge and Acknowledgement

FEBRUARY 4, 2000

Department of Water Resources
2735 Airport way
Boise, ID 83705-5082

Attention: To Whom It May Concern

Please be advised that on FEBRUARY 4, 2000 the undersigned have executed a TRUST DEED WITH WATER RIGHTS (see attached copy) in favor of Zions Bank covering certain land in ADA County, together with all of the trustor's right to use of the following:

SEE ATTACHED EXHIBIT

The said TRUST DEED, given to secure a Promissory Note of even date, was recorded 2-8-2000 in the office of the County Recorder of the above referenced county, as instrument number 100009708. Please file this notice and copy of the Trust Deed with your records of the above referenced water rights and direct notice of any intended change of the place of use or other change which materially affects this Bank's security interest to this Bank at the address noted above.

Sincerely,

Acknowledgement of Pledge

Zions First National Bank

By: Denise Buffington

By: Dan Noble

Title: Office Specialist 1

Title: Commercial Loan Officer

Consent of Pledge

ROBERT A. AND ELLEN K. SVEDIN

Robert A. Svedin

BY: ROBERT A. SVEDIN

Ellen K. Svedin

BY: ELLEN K. SVEDIN

Faxed to
Zion (Dan Noble)
9-27-00 showing
we rec'd it.